

**Far Eastern New Century Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2014 and 2013 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2014 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Accounting Standard 27 “Consolidated and Separate Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

FAR EASTERN NEW CENTURY CORPORATION

By

DOUGLAS TONG HSU
Chairman

March 19, 2015

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Far Eastern New Century Corporation

We have audited the accompanying consolidated balance sheets of Far Eastern New Century Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2014, December 31, 2013 and January 1, 2013, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Far Eastern New Century Corporation and its subsidiaries as of December 31, 2014, December 31, 2013 and January 1, 2013, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2014 and 2013, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

As disclosed in Note 3 to the consolidated financial statements, Far Eastern New Century Corporation and its subsidiaries changed their accounting policy for investment properties effective January 1, 2014 and subsequently measured investment properties using the fair value model. This accounting policy was retrospectively applied; thus, the consolidated balance sheet as of December 31, 2013 and the related consolidated financial statements for the year then ended have been restated

We have also audited the financial statements of the parent company, Far Eastern New Century Corporation, as of and for the years ended December 31, 2014 and 2013 on which we have issued an unqualified report.

March 19, 2015

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and consolidated financial statements shall prevail.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

| ASSETS | December 31, 2014 | | December 31, 2013 (Restated) | | January 1, 2013 (Restated) | |
|--|-------------------|-----|------------------------------|-----|----------------------------|-----|
| | Amount | % | Amount | % | Amount | % |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents (Note 6) | \$ 25,985,419 | 5 | \$ 26,645,574 | 6 | \$ 30,645,166 | 7 |
| Financial assets at fair value through profit or loss - current (Notes 4 and 7) | 1,124,116 | - | 1,191,688 | - | 1,058,519 | - |
| Available-for-sale financial assets - current (Notes 4, 8 and 36) | 929,101 | - | 989,348 | - | 2,272,149 | 1 |
| Held-to-maturity financial assets - current (Notes 4 and 9) | - | - | 99,962 | - | 100,000 | - |
| Derivative financial assets for hedging - current (Notes 4 and 10) | - | - | 4,442 | - | 21,962 | - |
| Financial assets carried at cost - current (Notes 4 and 11) | - | - | 42,587 | - | - | - |
| Bond investments with no active market (Notes 4, 6 and 12) | 4,114,651 | 1 | 2,606,689 | 1 | 3,145,035 | 1 |
| Notes and accounts receivable, net (Notes 4, 13 and 35) | 27,720,022 | 6 | 27,741,701 | 6 | 28,623,592 | 7 |
| Amounts due from customers for construction contracts (Notes 4 and 15) | 2,286,911 | 1 | 1,473,786 | - | 1,551,686 | - |
| Other receivables | 2,237,665 | 1 | 1,641,758 | - | 1,837,097 | 1 |
| Other receivables from affiliates (Note 35) | 1,265,765 | - | 1,258,834 | - | 1,283,844 | - |
| Current tax assets (Notes 4, 5 and 29) | 68,920 | - | 48,216 | - | 114,392 | - |
| Inventories (Notes 4, 14 and 36) | 22,005,555 | 4 | 24,184,972 | 5 | 21,617,120 | 5 |
| Prepayments | 4,414,732 | 1 | 3,799,470 | 1 | 2,817,079 | 1 |
| Other financial assets - current (Note 36) | 3,661,203 | 1 | 3,946,576 | 1 | 2,874,067 | 1 |
| Guarantee deposits - current | 33,954 | - | 52,292 | - | 48,207 | - |
| Other current assets | 2,227,072 | - | 1,934,219 | 1 | 1,269,243 | - |
| Total current assets | 98,075,086 | 20 | 97,662,114 | 21 | 99,279,158 | 24 |
| NON-CURRENT ASSETS | | | | | | |
| Available-for-sale financial assets - non-current (Notes 4, 8 and 36) | 4,718,618 | 1 | 5,257,220 | 1 | 4,489,491 | 1 |
| Held-to-maturity financial assets - non-current (Notes 4 and 9) | - | - | - | - | 99,871 | - |
| Financial assets carried at cost - non-current (Notes 4 and 11) | 1,071,152 | - | 926,908 | - | 1,130,424 | - |
| Bond investment with no active market - non-current (Notes 4, 6 and 12) | 182,583 | - | - | - | 256,508 | - |
| Investments accounted for using the equity method (Notes 4, 16 and 36) | 61,839,479 | 12 | 55,870,243 | 12 | 54,076,870 | 13 |
| Property, plant and equipment (Notes 4, 5, 17 and 36) | 139,055,972 | 28 | 124,767,713 | 26 | 116,637,790 | 28 |
| Investment properties, net (Notes 4, 17, 18 and 36) | 119,663,209 | 24 | 113,458,525 | 24 | 108,008,458 | 26 |
| Concession (Notes 20 and 36) | 37,314,277 | 8 | 37,734,135 | 8 | 5,090,449 | 1 |
| Goodwill (Notes 4 and 19) | 11,930,443 | 2 | 11,928,782 | 2 | 11,980,944 | 3 |
| Other intangible assets (Notes 4 and 20) | 3,772,439 | 1 | 4,184,122 | 1 | 3,818,998 | 1 |
| Deferred tax assets (Notes 4, 5 and 29) | 2,737,657 | 1 | 2,812,572 | 1 | 1,834,329 | - |
| Prepayment for equipment (Note 17) | 4,914,856 | 1 | 6,103,204 | 1 | 2,881,210 | 1 |
| Guarantee deposits | 708,974 | - | 576,314 | - | 582,788 | - |
| Other financial assets - non-current (Note 36) | 3,044,303 | 1 | 4,071,707 | 1 | 7,543,319 | 2 |
| Long-term prepayments for lease | 7,164,761 | 1 | 7,406,266 | 2 | 2,315,715 | - |
| Other non-current assets | 410,481 | - | 239,647 | - | 314,901 | - |
| Total non-current assets | 398,529,204 | 80 | 375,337,358 | 79 | 321,062,065 | 76 |
| TOTAL | \$ 496,604,290 | 100 | \$ 472,999,472 | 100 | \$ 420,341,223 | 100 |
| LIABILITIES AND EQUITY | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Short-term borrowings (Notes 21 and 35) | \$ 27,638,660 | 6 | \$ 28,053,848 | 6 | \$ 25,807,392 | 6 |
| Short-term bills payable (Note 21) | 4,662,532 | 1 | 5,117,694 | 1 | 6,286,740 | 1 |
| Financial liabilities at fair value through profit or loss - current (Notes 4 and 7) | 807 | - | 590 | - | 619 | - |
| Derivative financial liabilities for hedging - current (Notes 4 and 10) | 14,950 | - | - | - | - | - |
| Notes and accounts payable (Note 4) | 13,502,368 | 3 | 17,452,151 | 4 | 19,253,330 | 5 |
| Notes and accounts payable to affiliates (Notes 4 and 35) | 513,625 | - | 261,571 | - | 292,283 | - |
| Amounts due to customers for construction contracts (Notes 4 and 15) | 110,594 | - | 412,498 | - | 160,779 | - |
| Payables to suppliers of machinery and equipment | 3,202,004 | 1 | 3,133,810 | 1 | 4,012,183 | 1 |
| Other payable | 14,180,989 | 3 | 12,595,337 | 3 | 11,243,873 | 3 |
| Other payable to affiliates (Note 35) | 73,289 | - | 75,977 | - | 43,119 | - |
| Current tax liabilities (Notes 4, 5 and 29) | 3,368,813 | 1 | 3,115,500 | 1 | 2,688,208 | 1 |
| Provisions - current (Notes 4 and 22) | 240,197 | - | 193,328 | - | 160,425 | - |
| Guarantee deposits received - current (Note 35) | 314,097 | - | 334,939 | - | 401,798 | - |
| Receipts in advance | 1,214,639 | - | 1,199,481 | - | 1,107,451 | - |
| Unearned revenue | 2,617,900 | - | 2,667,808 | - | 2,643,111 | 1 |
| Current portion of long-term liabilities (Note 23) | 14,127,895 | 3 | 8,845,696 | 2 | 3,991,578 | 1 |
| Other current liabilities | 2,293,289 | - | 2,317,709 | - | 1,807,603 | - |
| Total current liabilities | 88,076,648 | 18 | 85,777,937 | 18 | 79,900,492 | 19 |
| NON-CURRENT LIABILITIES | | | | | | |
| Derivative financial liabilities for hedging - non-current (Notes 4 and 10) | 535,837 | - | 421,280 | - | 287,522 | - |
| Bonds payable (Note 23) | 60,712,019 | 12 | 65,638,787 | 14 | 41,726,021 | 10 |
| Long-term borrowings (Note 23) | 63,999,210 | 13 | 43,622,704 | 9 | 32,232,012 | 8 |
| Provisions - non-current (Notes 4 and 22) | 763,223 | - | 705,863 | - | 654,791 | - |
| Deferred tax liabilities (Notes 4, 5 and 29) | 15,110,447 | 3 | 13,329,928 | 3 | 12,429,643 | 3 |
| Accrued pension liabilities (Note 25) | 2,814,439 | 1 | 2,781,776 | 1 | 3,392,655 | 1 |
| Guarantee deposits received - non-current (Note 35) | 715,764 | - | 645,013 | - | 739,923 | - |
| Deferred credit - gains on related-party transactions (Note 35) | 149,629 | - | 150,185 | - | 150,738 | - |
| Other non-current liabilities | 408,320 | - | 476,788 | - | 509,628 | - |
| Total non-current liabilities | 145,208,888 | 29 | 127,772,324 | 27 | 92,122,933 | 22 |
| Total liabilities | 233,285,536 | 47 | 213,550,261 | 45 | 172,023,425 | 41 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26) | | | | | | |
| Capital stock | | | | | | |
| Common stock | 52,479,168 | 11 | 51,450,165 | 11 | 50,441,338 | 12 |
| Capital surplus | 3,666,948 | 1 | 4,681,042 | 1 | 4,744,045 | 1 |
| Retained earnings | | | | | | |
| Legal reserve | 13,408,217 | 3 | 12,687,509 | 3 | 11,820,720 | 3 |
| Special reserve | 105,911,942 | 21 | 25,449,697 | 5 | 25,472,425 | 6 |
| Unappropriated earnings | 17,218,149 | 3 | 94,418,185 | 20 | 89,555,174 | 21 |
| Total retained earnings | 136,538,308 | 27 | 132,555,391 | 28 | 126,848,319 | 30 |
| Other equity | 6,841,068 | 1 | 4,653,726 | 1 | 2,430,425 | 1 |
| Treasury stocks | (25,063) | - | (25,063) | - | (25,063) | - |
| Total equity attributable to owners of the company | 199,500,429 | 40 | 193,315,261 | 41 | 184,439,064 | 44 |
| NON-CONTROLLING INTERESTS (Note 26) | 63,818,325 | 13 | 66,133,950 | 14 | 63,878,734 | 15 |
| Total equity | 263,318,754 | 53 | 259,449,211 | 55 | 248,317,798 | 59 |
| TOTAL | \$ 496,604,290 | 100 | \$ 472,999,472 | 100 | \$ 420,341,223 | 100 |

The accompanying notes are an integral part of the consolidated financial statements.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | For the Years Ended December 31 | | | |
|--|---------------------------------|------------|--------------------|------------|
| | 2014 | | 2013 (Restated) | |
| | Amount | % | Amount | % |
| OPERATING REVENUES (Notes 4, 10 and 35) | | | | |
| Net sales | \$ 151,349,613 | 64 | \$ 155,953,627 | 65 |
| Telecommunications service income | 69,804,586 | 30 | 68,147,021 | 29 |
| Gain on disposal of investments, net | 55,666 | - | 530,650 | - |
| Construction income | 5,127,369 | 2 | 6,046,806 | 3 |
| Other operating revenue | <u>9,169,405</u> | <u>4</u> | <u>8,162,553</u> | <u>3</u> |
| Total operating revenues | <u>235,506,639</u> | <u>100</u> | <u>238,840,657</u> | <u>100</u> |
| OPERATING COSTS (Notes 4, 14, 28 and 35) | | | | |
| Cost of sales | 151,282,920 | 64 | 155,962,513 | 65 |
| Cost of telecommunications services | 26,243,122 | 11 | 27,151,232 | 11 |
| Construction cost | 4,836,912 | 2 | 5,745,691 | 2 |
| Other operating cost | <u>5,281,188</u> | <u>3</u> | <u>3,377,950</u> | <u>2</u> |
| Total operating costs | <u>187,644,142</u> | <u>80</u> | <u>192,237,386</u> | <u>80</u> |
| GROSS PROFIT | <u>47,862,497</u> | <u>20</u> | <u>46,603,271</u> | <u>20</u> |
| REALIZED CONSTRUCTION INCOME | <u>556</u> | <u>-</u> | <u>555</u> | <u>-</u> |
| OPERATING EXPENSES (Notes 4, 28 and 35) | | | | |
| Selling and marketing | 23,855,359 | 10 | 22,052,202 | 9 |
| General and administrative | 11,395,335 | 5 | 10,443,911 | 5 |
| Research and development | <u>739,094</u> | <u>-</u> | <u>675,902</u> | <u>-</u> |
| Total operating expenses | <u>35,989,788</u> | <u>15</u> | <u>33,172,015</u> | <u>14</u> |
| OPERATING INCOME | <u>11,873,265</u> | <u>5</u> | <u>13,431,811</u> | <u>6</u> |
| NONOPERATING INCOME AND EXPENSES | | | | |
| Share of the profit of associates (Note 16) | 4,293,787 | 2 | 4,984,423 | 2 |
| Interest income | 482,434 | - | 448,607 | - |
| Other income - other | 1,276,780 | - | 1,184,876 | 1 |
| Exchange gain, net | 632,174 | - | 310,965 | - |
| Gain on financial assets (liabilities) at fair value through profit or loss, net (Note 7) | 282,168 | - | 402,456 | - |
| Gain on change in fair value of investment properties | 6,222,659 | 3 | 6,424,024 | 3 |
| Interest expense (Note 28) | (1,934,871) | (1) | (1,432,622) | (1) |
| Other expenses | (490,939) | - | (304,062) | - |
| Loss on disposal of property, plant and equipment, net (Note 17) | (879,765) | - | (1,356,800) | (1) |

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | For the Years Ended December 31 | | | |
|---|---------------------------------|------------|----------------------|------------|
| | 2014 | | 2013 (Restated) | |
| | Amount | % | Amount | % |
| Loss on disposal of intangible properties, net (Note 20) | \$ (6,478) | - | \$ (1,912) | - |
| Impairment loss on assets | <u>(153,155)</u> | <u>-</u> | <u>(214,451)</u> | <u>-</u> |
| Total nonoperating income | <u>9,724,794</u> | <u>4</u> | <u>10,445,504</u> | <u>4</u> |
| INCOME BEFORE INCOME TAX | 21,598,059 | 9 | 23,877,315 | 10 |
| INCOME TAX EXPENSE (Notes 4 and 29) | <u>(4,409,757)</u> | <u>(2)</u> | <u>(2,935,346)</u> | <u>(1)</u> |
| NET INCOME | <u>17,188,302</u> | <u>7</u> | <u>20,941,969</u> | <u>9</u> |
| OTHER COMPREHENSIVE INCOME, NET | | | | |
| Exchange differences on translating foreign operations | 2,159,034 | 1 | 2,486,063 | 1 |
| Unrealized (loss) gain on available-for-sale financial assets | (535,233) | - | 515,409 | - |
| Cash flow hedges | (154,945) | - | (132,503) | - |
| Revaluation gains | - | - | 10,572 | - |
| Actuarial (loss) gain arising from defined benefit plans | (318,338) | - | 128,401 | - |
| Share of the other comprehensive income (loss) of associates and joint venture | 1,032,767 | - | (643,843) | - |
| Income tax gain (loss) relating to components of other comprehensive income | <u>53,973</u> | <u>-</u> | <u>(21,837)</u> | <u>-</u> |
| Total other comprehensive income | <u>2,237,258</u> | <u>1</u> | <u>2,342,262</u> | <u>1</u> |
| TOTAL COMPREHENSIVE INCOME | <u>\$ 19,425,560</u> | <u>8</u> | <u>\$ 23,284,231</u> | <u>10</u> |
| NET INCOME ATTRIBUTABLE TO: | | | | |
| Owner of the Company | \$ 11,033,421 | 5 | \$ 13,215,754 | 6 |
| Non-controlling interests | <u>6,154,881</u> | <u>2</u> | <u>7,726,215</u> | <u>3</u> |
| | <u>\$ 17,188,302</u> | <u>7</u> | <u>\$ 20,941,969</u> | <u>9</u> |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | |
| Owner of the Company | \$ 12,889,364 | 5 | \$ 15,568,654 | 7 |
| Non-controlling interests | <u>6,536,196</u> | <u>3</u> | <u>7,715,577</u> | <u>3</u> |
| | <u>\$ 19,425,560</u> | <u>8</u> | <u>\$ 23,284,231</u> | <u>10</u> |

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | For the Years Ended December 31 | | | |
|---|---------------------------------|---|-----------------|---|
| | 2014 | | 2013 (Restated) | |
| | Amount | % | Amount | % |
| EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 27) | | | | |
| Basic | <u>\$ 2.25</u> | | <u>\$ 2.69</u> | |
| Diluted | <u>\$ 2.24</u> | | <u>\$ 2.69</u> | |

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars; Except Dividends Per Share)

| | Equity Attributable to Owners of the Company | | | | | | | | | | | | |
|--|--|-------------------------------------|----------------------------|------------------------------|--------------------------------------|--|--|--------------------------------------|---|------------------------------|----------------|--|----------------|
| | Common Stock (Note 26) | Capital Surplus (Notes 4 and 26) | Legal Reserve (Note 26) | Special Reserve (Note 26) | Unappropriated Earnings (Note 26) | Other Equity | | | | | Total | Non-controlling Interests (Note 26) | Total Equity |
| | | | | | | Exchange Differences on Translating Foreign Operations (Notes 4 and 26) | Unrealized Gain (Loss) on Available-for-sale Financial Assets (Notes 4 and 26) | Cash Flow Hedges (Notes 4 and 26) | Unrealized Revaluation Investments (Note 26) | Treasury Shares (Note 26) | | | |
| BALANCE AT JANUARY 1, 2013 | \$ 50,441,338 | \$ 4,744,045 | \$ 11,820,720 | \$ 25,471,594 | \$ 15,100,772 | \$ (2,534,967) | \$ 5,038,679 | \$ (73,287) | \$ - | \$ (25,063) | \$ 109,983,831 | \$ 61,243,995 | \$ 171,227,826 |
| Effect of retrospective restatement of financial statements | - | - | - | 831 | 74,454,402 | - | - | - | - | - | 74,455,233 | 2,634,739 | 77,089,972 |
| AS BALANCE AT JANUARY 1, 2013, AS RESTATED | 50,441,338 | 4,744,045 | 11,820,720 | 25,472,425 | 89,555,174 | (2,534,967) | 5,038,679 | (73,287) | - | (25,063) | 184,439,064 | 63,878,734 | 248,317,798 |
| Appropriation of the 2012 earnings | | | | | | | | | | | | | |
| Legal reserve | - | - | 866,789 | - | (866,789) | - | - | - | - | - | - | - | - |
| Cash dividends - NT\$1.3 per share | - | - | - | - | (6,557,374) | - | - | - | - | - | (6,557,374) | - | (6,557,374) |
| Stock dividends - NT\$0.2 per share | 1,008,827 | - | - | - | (1,008,827) | - | - | - | - | - | - | - | - |
| Cash dividends distributed by subsidiaries | - | - | - | - | - | - | - | - | - | - | - | (7,716,375) | (7,716,375) |
| Net income for the year ended December 31, 2013 | - | - | - | - | 13,215,754 | - | - | - | - | - | 13,215,754 | 7,726,215 | 20,941,969 |
| Other comprehensive income for the year ended December 31, 2013 | - | - | - | - | 129,599 | 2,826,163 | (565,947) | (45,076) | 8,161 | - | 2,352,900 | (10,638) | 2,342,262 |
| Total comprehensive income for the year ended December 31, 2013 | - | - | - | - | 13,345,353 | 2,826,163 | (565,947) | (45,076) | 8,161 | - | 15,568,654 | 7,715,577 | 23,284,231 |
| Change in equity in associates | - | - | - | - | (67,027) | - | - | - | - | - | (67,027) | - | (67,027) |
| Disposal of investment in associates | - | 404 | - | (9,952) | 8,532 | - | - | - | - | - | (1,016) | (28) | (1,044) |
| Increase in non-controlling interest | - | - | - | - | - | - | - | - | - | - | - | 2,186,778 | 2,186,778 |
| Change in capital surplus from dividends distributed to subsidiaries | - | 955 | - | - | - | - | - | - | - | - | 955 | - | 955 |
| Partial acquisition of interests in subsidiaries | - | (64,362) | - | - | (3,633) | - | - | - | - | - | (67,995) | 69,264 | 1,269 |
| Reversal of special reserve | - | - | - | (12,776) | 12,776 | - | - | - | - | - | - | - | - |
| BALANCE AT DECEMBER 31, 2013 | 51,450,165 | 4,681,042 | 12,687,509 | 25,449,697 | 94,418,185 | 291,196 | 4,472,732 | (118,363) | 8,161 | (25,063) | 193,315,261 | 66,133,950 | 259,449,211 |
| Special reserve provided under Rule No. 1030006415 issued by the FSC | - | - | - | 80,462,245 | (80,462,245) | - | - | - | - | - | - | - | - |
| Appropriation of the 2013 earnings | | | | | | | | | | | | | |
| Legal reserve | - | - | 720,708 | - | (720,708) | - | - | - | - | - | - | - | - |
| Cash dividends - NT\$1.3 per share | - | - | - | - | (6,688,522) | - | - | - | - | - | (6,688,522) | - | (6,688,522) |
| Stock dividends distributed from capital surplus - NT\$0.2 per share | 1,029,003 | (1,029,003) | - | - | - | - | - | - | - | - | - | - | - |
| Cash dividends distributed by subsidiaries | - | - | - | - | - | - | - | - | - | - | - | (7,960,785) | (7,960,785) |
| Net income for the year ended December 31, 2014 | - | - | - | - | 11,033,421 | - | - | - | - | - | 11,033,421 | 6,154,881 | 17,188,302 |
| Other comprehensive income for the year ended December 31, 2014 | - | - | - | - | (331,399) | 2,580,664 | (843,080) | (54,688) | 504,446 | - | 1,855,943 | 381,315 | 2,237,258 |
| Total comprehensive income for the year ended December 31, 2014 | - | - | - | - | 10,702,022 | 2,580,664 | (843,080) | (54,688) | 504,446 | - | 12,889,364 | 6,536,196 | 19,425,560 |
| Change in equity in associates | - | 14,724 | - | - | (3,141) | - | - | - | - | - | 11,583 | 110 | 11,693 |
| Disposal of investment in associates | - | - | - | - | (4,705) | - | - | - | - | - | (4,705) | 1,850 | (2,855) |
| Partial acquisition (disposal) of interests in subsidiaries | - | (789) | - | - | (22,737) | - | - | - | - | - | (23,526) | 56,063 | 32,537 |
| Decrease in non-controlling interest | - | - | - | - | - | - | - | - | - | - | - | (949,059) | (949,059) |
| Change in capital surplus from dividends distributed to subsidiaries | - | 974 | - | - | - | - | - | - | - | - | 974 | - | 974 |
| BALANCE AT DECEMBER 31, 2014 | \$ 52,479,168 | \$ 3,666,948 | \$ 13,408,217 | \$ 105,911,942 | \$ 17,218,149 | \$ 2,871,860 | \$ 3,629,652 | \$ (173,051) | \$ 512,607 | \$ (25,063) | \$ 199,500,429 | \$ 63,818,325 | \$ 263,318,754 |

The accompanying notes are an integral part of the financial statements.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

| | For the Years Ended December 31 | |
|--|------------------------------------|-----------------|
| | 2014 | 2013 (Restated) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | \$ 21,598,059 | \$ 23,877,315 |
| Adjustments for: | | |
| Depreciation | 13,821,978 | 14,083,284 |
| Amortization | 3,086,032 | 2,440,269 |
| Allowance for doubtful accounts | 283,862 | 182,216 |
| Interest expenses | 1,934,871 | 1,432,622 |
| Interest income | (482,434) | (448,607) |
| Dividend revenue | (687,663) | (219,921) |
| Loss on disposal of property, plant and equipment, net | 879,765 | 1,356,800 |
| Loss on disposal of intangible assets, net | 6,478 | 1,912 |
| Share of the profit of associates | (4,293,787) | (4,984,423) |
| Gain on disposal of investments, net | (57,742) | (538,642) |
| Impairment loss on assets | 153,155 | 214,451 |
| Unrealized loss on transaction with associates | (556) | (555) |
| Net loss (gain) on unrealized foreign currency exchange | 1,025 | (87,999) |
| Gain on change in fair value of investment properties | (6,222,659) | (6,424,024) |
| Deferred (gain) loss on derivative assets for hedging | (20,996) | 18,802 |
| Net changes in operating assets and liabilities | | |
| Financial assets at fair value through profit or loss | 67,572 | (133,169) |
| Notes and accounts receivable | (264,644) | 695,358 |
| Amounts due from customers for construction contracts | (813,125) | 77,900 |
| Other receivables | (865,592) | 624,521 |
| Other receivables from affiliates | 12,069 | (31,630) |
| Inventories | 2,179,417 | (2,567,852) |
| Prepayments | (1,028,244) | (974,120) |
| Other current assets | (880,341) | (664,976) |
| Financial liabilities at fair value through profit or loss | 217 | (29) |
| Notes and accounts payable | (3,656,601) | (1,801,179) |
| Notes and accounts payable to affiliates | 252,054 | (30,712) |
| Amounts due to customers for construction contracts | (301,904) | 251,719 |
| Other payables | 1,696,316 | 1,274,408 |
| Other payables to affiliates | (2,688) | 32,858 |
| Provisions | 104,229 | 83,975 |
| Receipts in advance | 15,158 | 92,030 |
| Other current liabilities | (24,420) | 510,106 |
| Accrued pension liabilities | (231,702) | (498,747) |
| Unearned revenue | (49,908) | 24,697 |
| Cash generated from operations | 26,207,251 | 27,868,658 |
| Interest received | 472,415 | 461,392 |
| Dividend received | 4,601,081 | 2,368,646 |
| Interest paid | (1,888,711) | (1,398,487) |
| Income tax paid | (2,321,714) | (2,525,131) |
| Net cash generated from operating activities | 27,070,322 | 26,775,078 |

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

| | For the Years Ended December 31 | |
|---|------------------------------------|-----------------|
| | 2014 | 2013 (Restated) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of available-for-sale financial assets | \$ (127,922) | \$ (893,414) |
| Proceeds of the disposal of available-for-sale financial assets | 330,734 | 2,501,734 |
| Purchase of debt investments with no active market | (1,722,570) | - |
| Proceeds of redemption of debt investments with no active market | 31,000 | - |
| Decrease in bond investments with no active market | - | 805,353 |
| Proceeds of redemption of held-to-maturity financial assets at maturity | 100,000 | 100,000 |
| Acquisition of financial assets carried at cost | - | (100,012) |
| Proceeds of the disposal of financial assets carried at cost | 8,348 | 117,256 |
| Proceeds of capital reduction of financial assets carried at cost | - | 33,693 |
| Acquisition of investments accounted for using the equity-method | (2,949,573) | (568,919) |
| Proceeds of the disposal of investments accounted for using the equity-method | 37,395 | 854,693 |
| Net cash outflow on acquisition of subsidiaries | - | (42,758) |
| Net cash outflow on the loss of control over subsidiaries | (857,294) | - |
| Acquisition of property, plant, equipment and prepayment for equipment | (28,367,682) | (24,988,218) |
| Proceeds of the disposal of property, plant and equipment | 189,798 | 106,151 |
| (Increase) decrease in guarantee deposits | (114,850) | 2,389 |
| (Increase) decrease in other receivable from affiliates | (19,000) | 56,640 |
| Acquisition of intangible assets | (909,863) | (1,532,655) |
| Proceeds of the disposal of intangible assets | 1,067 | - |
| Acquisition of investment properties | (11,803) | (1,550) |
| Increase in long-term prepayments for lease | (145,448) | (4,993,200) |
| Increase in concession | (1,018,143) | (33,756,959) |
| Decrease in other financial assets | 1,312,777 | 2,399,103 |
| (Increase) decrease in other non-current assets | (242,347) | 60,240 |
| | (34,475,376) | (59,840,433) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| (Decrease) increase in short-term borrowings | (415,188) | 2,246,456 |
| Decrease in short-term bills payables | (455,000) | (1,169,000) |
| Proceeds of the issue of bonds | 8,400,000 | 32,776,500 |
| Repayments of bonds payable | (8,750,000) | (2,980,000) |
| Proceeds of long-term borrowings | 200,844,269 | 151,627,266 |
| Repayment of long-term borrowings | (179,786,649) | (141,160,125) |
| Increase (decrease) in guarantee deposits received | 49,909 | (161,769) |
| Decrease in other non-current liabilities | (68,468) | (32,840) |
| Dividends paid | (14,657,589) | (14,264,363) |
| Increase in non-controlling interest | 853,126 | 2,188,047 |
| | 6,014,410 | 29,070,172 |
| EFFECTS OF EXCHANGE RATE CHANGES | 730,489 | (4,409) |

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

| | For the Years Ended December 31 | |
|--|------------------------------------|----------------------|
| | 2014 | 2013 (Restated) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | \$ (660,155) | \$ (3,999,592) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>26,645,574</u> | <u>30,645,166</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 25,985,419</u> | <u>\$ 26,645,574</u> |

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Far Eastern New Century Corporation (FENC or the “Company”), which was incorporated in 1954, manufactures and sells polyester materials, semifinished products and finished goods such as cotton, synthetic or blended fabrics, towels and bed sheets, and woven and knitted garments; PET (polyethylene terephthalate) bottles and PET sheets; and natural, synthetic or blended yarns and polyester textured yarns. It also does yarn, silk and cloth printing and dyeing as well as manufactures wide-view film, antiglare film, antireflection film and other optical films. The Company’s stock is listed on the Taiwan Stock Exchange. On October 19, 1999, the Company issued global depository receipts (GDRs), which became listed on the Luxembourg Stock Exchange.

On October 13, 2009, the stockholders resolved to change their company name of Far Eastern Textile Ltd. to Far Eastern New Century Corporation; thus, the original stock symbol of FETL was changed to FENC.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on March 19, 2015.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of new accounting policies

The management of the Company and entities controlled by the Company (collectively, the “Group”) considered that the fair value model can provide reliable and more relevant information. Therefore, on March 19 2014, the Company’s board of directors resolved to change the Group’s accounting policy for investment properties effective January 1, 2014. Under the new accounting policy, investment properties are subsequently measured using the fair value model, and a special reserve should be appropriated in accordance with Rule No. 1030006415 issued by the Financial Supervisory Commission (FSC).

The impact in the current year is set out below:

| | December 31, 2014 |
|---|---|
| | Investment Properties under the Fair Value Model |
| Impact on Assets, Liabilities and Equity | |
| Increase in investment properties | \$ 84,570,009 |
| Increase in property, plant and equipment | 303,386 |
| Increase in investments accounted for using equity method | <u>8,906,012</u> |
| Increase in assets | <u>\$ 93,779,407</u> |
| Increase in deferred tax liabilities | <u>\$ 4,453,835</u> |
| Increase in unappropriated earnings | \$ 4,931,237 |
| Increase in special reserve | 80,464,691 |
| Increase in other equity | 540,034 |
| Increase in non-controlling interests | <u>3,389,610</u> |
| Increase in equity | <u>\$ 89,325,572</u> |
| | For the Year Ended December 31, 2014 |
| | Investment Properties under the Fair Value Model |
| Impact on Total Comprehensive Income | |
| Decrease in operating cost | \$ 144,639 |
| Decrease in operating expenses | 4,635 |
| Increase in adjusting gain on investment properties under fair value model | 6,222,659 |
| Increase in share of the profit of associates and joint venture | 212,249 |
| Increase in other expenses | 28,353 |
| Decrease in income tax expense | <u>(1,578,371)</u> |
| Increase in net profit for the year | <u>5,034,164</u> |
| Increase in exchange differences on translating foreign operations | <u>15,969</u> |
| Increase in share of the other comprehensive income if associates and joint venture | <u>506,887</u> |
| Increase in other comprehensive income | <u>522,856</u> |
| Increase in total comprehensive income for the year | <u>\$ 5,557,020</u> |
| Increase in net profit attributable to: | |
| Owners of the Company | \$ 4,932,022 |
| Non-controlling interests | <u>102,142</u> |
| | <u>\$ 5,034,164</u> |

(Continued)

| | For the Year Ended December 31, 2014 |
|---|---|
| Impact on Total Comprehensive Income | |
| Increase in total comprehensive income attributable to: | |
| Owners of the Company | \$ 5,452,431 |
| Non-controlling interests | <u>104,589</u> |
| | <u>\$ 5,557,020</u> |
| Impact on earnings per share | |
| Increase in basic earnings per share | <u>\$1.01</u> |
| Increase in diluted earnings per share | <u>\$1.00</u> |
| | (Concluded) |

The impact in the prior year is set out below:

| Impact on Assets, Liabilities and Equity | As Originally Stated | Investment Properties under the Fair Value Model | Restated |
|--|---------------------------------|---|-----------------------|
| <u>December 31, 2013</u> | | | |
| Investment properties | \$ 35,307,315 | \$ 78,151,210 | \$ 113,458,525 |
| Property, plant and equipment | 124,461,783 | 305,930 | 124,767,713 |
| Investments accounted for using the equity method | <u>47,683,367</u> | <u>8,186,876</u> | <u>55,870,243</u> |
| Total effect on assets | <u>\$ 207,45,465</u> | <u>\$ 86,644,016</u> | <u>\$ 294,096,481</u> |
| Deferred tax liabilities | <u>\$ 10,454,464</u> | <u>\$ 2,875,464</u> | <u>\$ 13,329,928</u> |
| Total effect on liabilities | <u>\$ 10,454,464</u> | <u>\$ 2,875,464</u> | <u>\$ 13,329,928</u> |
| Unappropriated earnings | \$ 13,955,940 | \$ 80,462,245 | \$ 94,418,185 |
| Special reserve | 25,448,036 | 1,661 | 25,449,697 |
| Other equity | 4,634,101 | 19,625 | 4,653,726 |
| Non-controlling interests | <u>62,848,929</u> | <u>3,285,021</u> | <u>66,133,950</u> |
| Total effect on equity | <u>\$ 106,887,006</u> | <u>\$ 83,768,552</u> | <u>\$ 190,655,558</u> |
| <u>January 1, 2013</u> | | | |
| Investment properties | \$ 36,155,930 | \$ 71,852,528 | \$ 108,008,458 |
| Investments accounted for using the equity method | <u>46,677,090</u> | <u>7,399,780</u> | <u>54,076,870</u> |
| Total effect on assets | <u>\$ 82,833,020</u> | <u>\$ 79,252,308</u> | <u>\$ 162,085,328</u> |

(Continued)

| Impact on Assets, Liabilities and Equity | As Originally Stated | Investment | Restated |
|--|----------------------|---------------------------------------|-------------------------------|
| | | Properties under the Fair Value Model | |
| Deferred tax liabilities | \$ 10,267,307 | \$ 2,162,336 | \$ 12,429,643 |
| Total effect on liabilities | \$ 10,267,307 | \$ 2,162,336 | \$ 12,429,643 |
| Unappropriated earnings | \$ 15,100,772 | \$ 74,454,402 | \$ 89,555,174 |
| Special reserve | 25,471,594 | 831 | 25,472,425 |
| Non-controlling interests | 61,243,995 | 2,634,739 | 63,878,734 |
| Total effect on equity | \$ 101,816,361 | \$ 77,089,972 | \$ 178,906,333 (Concluded) |

For the Year Ended December 31, 2013

| Impact on Total Comprehensive Income | As Originally Stated | Investment | Restated |
|---|----------------------|---------------------------------------|------------------------------|
| | | Properties under the Fair Value Model | |
| Operating cost | \$ (192,356,740) | \$ 119,354 | \$ (192,237,386) |
| Operating expenses | \$ (33,176,523) | \$ 4,508 | \$ (33,172,015) |
| Adjusting gain on change in fair value of investment properties | \$ - | \$ 6,424,024 | \$ 6,424,024 |
| Share of the other comprehensive income of associates and joint venture | \$ 4,197,698 | \$ 786,725 | \$ 4,984,423 |
| Other expenses | \$ (338,228) | \$ 34,166 | \$ (304,062) |
| Loss on disposal of investment properties | \$ (518) | \$ 518 | \$ - |
| Income tax expense | \$ (2,223,481) | \$ (711,865) | \$ (2,935,346) |
| Net profit | \$ 14,284,539 | \$ 6,657,430 | \$ 20,941,969 |
| Exchange differences on translating foreign operations | \$ 2,474,593 | \$ 11,470 | \$ 2,486,063 |
| Gain on revaluation | \$ - | \$ 10,572 | \$ 10,572 |
| Share of other comprehensive income (loss) of associates and joint venture | \$ (644,214) | \$ 371 | \$ (643,843) |
| Income tax (loss) gain relating to components of other comprehensive income | \$ (20,574) | \$ (1,263) | \$ (21,837) |
| Total other comprehensive income | \$ 2,321,112 | \$ 21,150 | \$ 2,342,262 |
| Total comprehensive income for the period | \$ 16,605,651 | \$ 6,678,580 | \$ 23,284,231 |
| Impact on net profit attributable to: | | | |
| Owners of the Company | \$ 7,207,081 | \$ 6,008,673 | \$ 13,215,754 |
| Non-controlling interests | 7,077,458 | 648,757 | 7,726,215 |
| | \$ 14,284,539 | \$ 6,657,430 | \$ 20,941,969 |
| Impact on total comprehensive income attributable to: | | | |
| Owners of the Company | \$ 9,540,356 | \$ 6,028,298 | \$ 15,568,654 |
| Non-controlling interests | 7,065,295 | 650,282 | 7,715,577 |
| | \$ 16,605,651 | \$ 6,678,580 | \$ 23,284,231 (Continued) |

| Impact on Total Comprehensive Income | For the Year Ended December 31, 2013 | | |
|--------------------------------------|--------------------------------------|--|---------------|
| | As Originally Stated | Investment Properties under the Fair Value Model | Restated |
| Impact on earnings per share | | | |
| Basic | <u>\$1.47</u> | <u>\$1.22</u> | <u>\$2.69</u> |
| Diluted | <u>\$1.46</u> | <u>\$1.23</u> | <u>\$2.69</u> |
| | | | (Concluded) |

- b. The amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC not yet effective

Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

| The New IFRSs Included in the 2013 IFRSs Version Not Yet Endorsed by the FSC | Effective Date Announced by IASB (Note 1) |
|---|---|
| Improvements to IFRSs (2009) - amendment to IAS 39 | January 1, 2009 and January 1, 2010, as appropriate |
| Amendment to IAS 39 "Embedded Derivatives" | Effective for annual periods ending on or after June 30, 2009 |
| Improvements to IFRSs (2010) | July 1, 2010 and January 1, 2011, as appropriate |
| Annual Improvements to IFRSs 2009-2011 Cycle | January 1, 2013 |
| Amendment to IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters" | July 1, 2010 |
| Amendment to IFRS 1 "Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters" | July 1, 2011 |
| Amendment to IFRS 1 "Government Loans" | January 1, 2013 |
| Amendment to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities" | January 1, 2013 |
| Amendment to IFRS 7 "Disclosure - Transfer of Financial Assets" | July 1, 2011 |
| IFRS 10 "Consolidated Financial Statements" | January 1, 2013 |
| IFRS 11 "Joint Arrangements" | January 1, 2013 |
| IFRS 12 "Disclosure of Interests in Other Entities" | January 1, 2013 |
| Amendments to IFRS 10, IFRS 11 and IFRS 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance" | January 1, 2013 |
| Amendments to IFRS 10 and IFRS 12 and IAS 27 "Investment Entities" | January 1, 2014 |
| IFRS 13 "Fair Value Measurement" | January 1, 2013 |
| Amendment to IAS 1 "Presentation of Other Comprehensive Income" | July 1, 2012 |
| Amendment to IAS 12 "Deferred Tax: Recovery of Underlying Assets" | January 1, 2012 |

(Continued)

| The New IFRSs Included in the 2013 IFRSs Version Not Yet Endorsed by the FSC | Effective Date Announced by IASB (Note 1) |
|---|--|
| IAS 19 (Revised 2011) “Employee Benefits” | January 1, 2013 |
| IAS 27 (Revised 2011) “Separate Financial Statements” | January 1, 2013 |
| IAS 28 (Revised 2011) “Investments in Associates and Joint Ventures” | January 1, 2013 |
| Amendment to IAS 32 “Offsetting Financial Assets and Financial Liabilities” | January 1, 2014 |
| IFRIC 20 “Stripping Costs in Production Phase of a Surface Mine” | January 1, 2013 |
| | (Concluded) |

Note: Unless otherwise noted, the above New IFRSs are effective for annual periods beginning on or after the respective effective dates.

Except for the following, the initial application of the above 2013 IFRSs version and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers has not had any material impact on the Group’s accounting policies:

1) IFRS 10 “Financial statements”

IFRS 10 replaces IAS 27 “Consolidated and Separate Financial Statements” and SIC 12 “Consolidation - Special Purpose Entities”. The Group considers whether it has control over other entities for consolidation. The Group has control over an investee if and only if it has i) power over the investee; ii) exposure, or rights, to variable returns from its involvement with the investee and iii) the ability to use its power over the investee to affect the amount of its returns. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

2) IFRS 11 “Joint Arrangements”

IFRS 11 replaces IAS 31 “Interests in Joint Ventures” and SIC 13 “Jointly Controlled Entities - Non-monetary Contributions by Ventures”. Joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. Joint ventures are accounted for using the equity method. Under IAS 31, Joint arrangements are classified as jointly controlled entities, jointly controlled assets, and jointly controlled operations, and the Group accounts for its jointly controlled entities using the proportionate consolidation method.

3) IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

4) Revision to IAS 28 “Investments in Associates and Joint Ventures

Revised IAS 28 requires when a portion of an investment in an associate meets the criteria to be classified as held for sale, that portion is classified as held for sale. Any retained portion that has not been classified as held for sale is accounted for using the equity method. Under current IAS 28, when a portion of an investment in associates meets the criteria to be classified as held for sale, the entire investment is classified as held for sale and ceases to apply the equity method.

Under revised IAS 28, when a portion of an investment in an associate is held by, or is held indirectly through, an entity that is a venture capital organization, the Group elects to measure the investment at fair value through profit or loss. Any remaining portion of its investment in that associate that is not held through a venture capital organization is accounted for using the equity method. Under current IAS 28, the entire investment in the associate is accounted for using equity method regardless of whether the investments are held by, or are held indirectly through, an entity that is a venture capital organization.

5) Amendments to IFRS 10, IFRS 12 and IAS 27 “Investment Entities”

The amendments to IFRS 10 define an investment entity and introduce an exception from the requirement to consolidate subsidiaries of an investment entity. In terms of the exception, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss. Before adopting the amendments, all subsidiaries should be consolidated by an investment entity.

6) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015.

7) Amendment to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendment to IAS 1 requires items of other comprehensive income to be grouped into those that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss when specific conditions are met. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

The Group will retrospectively apply the above amendments starting from 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the remeasurements of the defined benefit plans) of associates and joint ventures accounted for using the equity method. However, the application of the above amendments will not result in any impact on the net profit for the year, other comprehensive income for the year (net of income tax), and total comprehensive income for the year.

8) Revision to IAS 19 “Employee Benefits”

Revised IAS 19 requires the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the “corridor approach” permitted under current IAS 19 and accelerate the recognition of past service costs. The revision requires all remeasurements of the defined benefit plans to be recognized immediately through other comprehensive income in order for the net pension asset or liability to reflect the full value of the plan deficit or surplus.

Furthermore, the interest cost and expected return on plan assets used in current IAS 19 are replaced with a “net interest” amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures.

On initial application of the revised IAS 19 in 2015, the changes in cumulative employee benefit costs as of December 31, 2013 resulting from the retrospective application are adjusted to net defined benefit liabilities and retained earnings. In addition, in preparing the consolidated financial statements for the year ended December 31, 2015, the Group would elect not to present 2014 comparative information about the sensitivity of the defined benefit obligation.

The anticipated impact of the initial application of the revised IAS 19 is detailed as follows:

| | Carrying Amount | Adjustments Arising from Initial Application | Adjusted Carrying Amount |
|--|----------------------------|---|---|
| <u>Impact on assets, liabilities and equity</u> | | | |
| <u>December 31, 2014</u> | | | |
| Accrued pension liabilities | \$ 2,814,439 | \$ (165,557) | \$ 2,648,882 |
| Unappropriated Earnings | \$ 17,218,149 | \$ 165,557 | \$ 17,383,706 |
| <u>January 1, 2014</u> | | | |
| Accrued pension liabilities | \$ 2,781,776 | \$ (188,006) | \$ 2,593,770 |
| Unappropriated Earnings | \$ 94,418,185 | \$ 188,006 | \$ 94,606,191 |
| <u>Impact on total comprehensive income for the year ended December 31, 2014</u> | | | |
| Operating cost | \$(187,644,142) | \$ (130,404) | \$(187,774,546) |
| Operating expenses | \$ (35,989,788) | \$ (49,926) | \$ (36,039,714) |
| Net profit for the year | \$ 17,188,302 | \$ (180,330) | \$ 17,007,972 |
| Actuarial loss arising from defined plans | \$ (318,338) | \$ 157,881 | \$ (160,457) |
| Other comprehensive income | \$ 2,237,258 | \$ 157,881 | \$ 2,395,139 |
| Total comprehensive income for the year | \$ 19,425,560 | \$ (22,449) | \$ 19,403,111 |

9) Amendments to IFRS 7 “Disclosure - Offsetting Financial Assets and Financial Liabilities”

The amendments to IFRS 7 require disclosure of information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting arrangements and similar arrangements.

10) Amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets

Under the amendments, investment properties that are measured using the fair value model are presumed to be recovered through sale for the purposes of measuring deferred taxes. However, the presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embedded in the investment property over time, rather than through sale, and accordingly, the recognition of the tax consequences should reflect the expected manner of recovering the asset.

The Group measures its investment properties using the fair value model. As the investment property is held within a business model whose objective is to consume substantially all of the economic benefits over time, the measurement of deferred tax reflects the tax consequences of recovering the carrying amount through use.

11) Amendments to IAS 32 “Offsetting Financial Assets and Financial Liabilities”

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realization and settlement”.

12) Annual Improvements to IFRSs: 2009-2011 Cycle

Several standards including IFRS 1 “First-time Adoption of International Financial Reporting Standards”, IAS 1 “Presentation of Financial Statements”, IAS 16 “Property, Plant and Equipment”, IAS 32 “Financial Instruments: Presentation” and IAS 34 “Interim Financial Reporting” were amended in this annual improvement.

The amendments to IAS 1 clarify that an entity is required to present a balance sheet as at the beginning of the preceding period when a) it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassifies items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the consolidated balance sheet at the beginning of the preceding period. The amendments also clarify that related notes are not required to accompany the consolidated balance sheet at the beginning of the preceding period.

The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be recognized in accordance with IAS 16 when they meet the definition of property, plant and equipment and otherwise as inventory.

The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 “Income Taxes”.

The amendments to IAS 34 clarify that a measure of total liabilities for a reportable segment would be disclosed in interim financial reporting when such amounts are regularly provided to the chief operating decision maker of the Group and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version in 2015 is expected to have material effect on the consolidated balance sheet as of January 1, 2014. In preparing the consolidated financial statements for the year ended December 31, 2015, the Group would present the consolidated balance sheet as of January 1, 2014 in accordance of the above amendments to IAS 1 and disclose related information in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, but not required to make disclosures about the line items of the consolidated balance sheet as of January 1, 2014.

13) Recognition and measurement of financial liabilities designated as at fair value through profit or loss

In accordance with the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, for financial liabilities designated as at fair value through profit or loss, the amount of change in the fair value attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining amount of change in the fair value of that liability is presented in profit or loss. Changes in fair value attributable to a financial

liability's credit risk are not subsequently reclassified to profit or loss. If the above accounting treatment would create or enlarge an accounting mismatch, all gains or losses on that liability are presented in profit or loss.

c. New IFRSs in issue but not yet endorsed by the FSC

The Group has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC. As of the date the financial statements were authorized for issue, the FSC has not announced their effective dates.

| New, Amended and Revised Standards and Interpretations | Effective Date Issued by IASB (Note 1) |
|--|---|
| Annual Improvements to IFRSs 2010-2012 Cycle | July 1, 2014 (Note 2) |
| Annual Improvements to IFRSs 2011-2013 Cycle | July 1, 2014 |
| Annual Improvements to IFRSs 2012-2014 Cycle | January 1, 2016 (Note 4) |
| IFRS 9 "Financial Instruments" | January 1, 2018 |
| Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures" | January 1, 2018 |
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | January 1, 2016 (Note 3) |
| Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception" | January 1, 2016 |
| Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations" | January 1, 2016 |
| IFRS 14 "Regulatory Deferral Accounts" | January 1, 2016 |
| IFRS 15 "Revenue from Contracts with Customers" | January 1, 2017 |
| Amendment to IAS 1 "Disclosure Initiative" | January 1, 2016 |
| Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization" | January 1, 2016 |
| Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants" | January 1, 2016 |
| Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions" | July 1, 2014 |
| Amendment to IAS 27 "Equity Method in Separate Financial Statements" | January 1, 2016 |
| Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets" | January 1, 2014 |
| Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting" | January 1, 2014 |
| IFRIC 21 "Levies" | January 1, 2014 |

Note 1: Unless stated otherwise, the above new, revised or amended standards and interpretations are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: Prospectively applicable to transactions occurring in annual periods beginning on or after January 1, 2016.

Note 4: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

Except for the following, the initial application of the above new standards and interpretations has not had any material impact on the Group's accounting policies:

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Group's debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

- a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;
- b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the "Expected Credit Losses Model". The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Group takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

2) Amendment to IAS 19: Amendment in 2013

The amended IAS 19 states that if contributions from employees or third parties are not linked to service, these contributions affect the remeasurement of the net defined benefit liability (asset). If the contributions are linked solely to service, the employees' service rendered in that period in which they are paid, these contributions may be recognized as a reduction of service cost in the same period. If the contributions depend on the number of years of service, an entity is required to attribute these contributions to service periods as a reduction of service cost.

3) Amendments to IAS 36, "Recoverable Amount Disclosures for Non-Financial Assets"

In issuing IFRS 13 "Fair Value Measurement", the IASB made consequential amendment to the disclosure requirements in IAS 36 "Impairment of Assets", introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Group is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

4) IFRIC 21 "Levies"

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government. It addresses the accounting for a liability whose timing and amount is certain and the accounting for a provision whose timing or amount is not certain. The Group accrues related liability when the transaction or activity that triggers the payment of the levy occurs. Therefore, if the obligating event occurs over a period of time (such as generation of revenue over a period of time), the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold (such as a minimum amount of revenue or sales generated), the liability is recognized when that minimum threshold is reached.

5) Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 2 "Share-based Payment", IFRS 3 "Business Combinations" and IFRS 8 "Operating Segments" were amended in this annual improvement.

The amended IFRS 2 changes the definitions of "vesting condition" and "market condition" and adds definitions for "performance condition" and "service condition". The amendment clarifies that a performance target can be based on the operations (i.e. a non-market condition) of the Group or another entity in the same group or the market price of the equity instruments of the Group or another entity in the same group (i.e. a market condition); that a performance target can relate either to the performance of the Group as a whole or to some part of it (e.g. a division); and that the period for achieving a performance condition must not extend beyond the end of the related service period. In addition, a share market index target is not a performance condition because it not only reflects the performance of the Group, but also of other entities outside the Group.

IFRS 3 was amended to clarify that contingent consideration should be measured at fair value, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39. Changes in fair value should be recognized in profit or loss.

The amended IFRS 8 requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics". The amendment also clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segments' assets are regularly provided to the chief operating decision-maker.

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Group is a related party of the Group. Consequently, the Group is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

6) Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards, including IFRS 3, IFRS 13 and IAS 40 “Investment Property”, were amended in this annual improvement.

IFRS 3 was amended to clarify that IFRS 3 does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required to determine whether the investment property acquired is acquisition of an asset or a business combination.

7) Amendments to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”

The amendments require that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3. Accordingly, a joint operator that is an acquirer of such an interest has to measure most identifiable assets and liabilities at fair value; recognize expense acquisition-related costs (other than debt or equity issuance costs); recognize deferred taxes and perform impairment tests for the cash generating units to which goodwill has been allocated. In addition, the acquirer of an interest in a joint operation has to disclose information required relevant for business combinations.

The amendments also apply to the formation of a joint operation if, and only if, an existing business is contributed to the joint operation on its formation by one of the parties that participate in the joint operation.

The amendments do not apply on the acquisition of an interest in a joint operation when the parties sharing control are under common control before and after the acquisition.

8) Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”

The entity should use appropriate depreciation and amortization method to reflect the pattern in which the future economic benefits of the property, plant and equipment and intangible asset are expected to be consumed by the entity.

The amended IAS 16 “Property, Plant and Equipment” requires that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The amended standard does not provide any exception from this requirement.

The amended IAS 38 “Intangible Assets” requires that there is a rebuttable presumption that an amortization method that is based on revenue that is generated by an activity that includes the use of an intangible asset is not appropriate. This presumption can be overcome only in the following limited circumstances:

- a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity’s use of the intangible asset will expire upon achievement of a revenue threshold); or
- b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

An entity should apply the aforementioned amendments prospectively for annual periods beginning on or after the effective date.

9) IFRS 15, “Revenue from Contracts with Customers”

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18, “Revenue,” IAS 11, “Construction Contracts,” and a number of revenue-related interpretations.

When applying IFRS 15, the Group shall recognize revenue by applying the following steps:

- a) Identify the contract with the customer;
- b) Identify the performance obligations in the contract;
- c) Determine the transaction price;
- d) Allocate the transaction price to the performance obligations in the contracts; and
- e) Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 is effective, the Group may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

10) IAS 16 and IAS 41 “Agriculture: Bearer Plants”

The amended standards require that bearer plants should be accounted for in accordance with IAS 16. When applying the amended standards, the Group will initially recognize bearer plants at cost and subsequently measure them using cost model. A bearer plant is a living plant that expects to produce or supply agricultural produce for more than one period and that has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Under current IAS 41 “Agriculture”, all biological assets should be measured at fair value.

11) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulated that, when an entity sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when an entity loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when an entity sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors' interest in the associate or joint venture, i.e. the entity's share of the gain or loss is eliminated. Also, when an entity loses control of a subsidiary that does not contain a business but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors' interest in the associate or joint venture, i.e. the entity's share of the gain or loss is eliminated.

12) Annual Improvements to IFRSs: 2012-2014 Cycle

Several standards including IFRS 5 "Non-current assets held for sale and discontinued operations", IFRS 7, IAS 19 and IAS 34 were amended in this annual improvement.

IFRS 5 was amended to clarify that reclassification between non-current assets (or disposal group) "held for sale" and non-current assets "held for distribution to owners" does not constitute a change to a plan of sale or distribution. Therefore, previous accounting treatment is not reversed. The amendment also explains that assets that no longer meet the criteria for "held for distribution to owners" and do not meet the criteria for "held for sale" should be treated in the same way as assets that cease to be classified as held for sale.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset.

IAS 19 was amended to clarify that the depth of the market for high quality corporate bonds used to estimate discount rate for post-employment benefits should be assessed by the market of the corporate bonds denominated in the same currency as the benefits to be paid, i.e. assessed at currency level (instead of country or regional level).

13) Amendment to IAS 1 "Disclosure Initiative"

The amendment clarifies that the consolidated financial statements should be prepared for the purpose of disclosing material information. To improve the understandability of its consolidated financial statements, the Group should disaggregate the disclosure of material items into their different natures or functions, and disaggregate material information from immaterial information.

The amendment further clarifies that the Group should consider the understandability and comparability of its consolidated financial statements to determine a systematic order in presenting its footnotes.

14) Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"

The amendments clarified that when the Group (non-investment entity) applies the equity method to an associate or a joint venture that is an investment entity, the Group may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within twelve months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

The Group engages in the construction business, which has an operating cycle of over one year, the normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

1) Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Group and the entities controlled by the Group (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Attribution of total comprehensive income to non-controlling interests

Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

2) Subsidiaries included in consolidated financial statements

Refer to Schedule A for the details of the investment relationship and percentage ownership between the Company and its subsidiaries as of December 31, 2014.

Intercompany relationships and percentages of ownership are shown as follows:

| Investor | Investee | Main Business | % of Ownership | | |
|---|---|---|-------------------|-------------------|-----------------|
| | | | December 31, 2014 | December 31, 2013 | January 1, 2013 |
| Far Eastern New Century Corporation | Far EasTone Telecommunications Co., Ltd. (Note 1) | Telecommunications | 38.29 | 38.29 | 38.25 |
| | Yuan Ding Investment Co., Ltd. | Investment | 99.70 | 99.70 | 99.70 |
| | Far Eastern Resources Development Co. | Real estate leasing and development service | 100.00 | 100.00 | 100.00 |
| | Yuan Tong Investment Co., Ltd. | Investment | 100.00 | 100.00 | 100.00 |
| | Far Eastern Polychem Industries Ltd. (FEPI) | Investment | 100.00 | 100.00 | 100.00 |
| | Oriental Petrochemical (Taiwan) Co., Ltd. | Petrochemical materials production | 80.76 | 80.76 | 80.76 |
| | Far Eastern Investment (Holding) Ltd. | Investment | 100.00 | 100.00 | 100.00 |
| | PET Far Eastern (Holding) Ltd. (PETH) | Investment | 100.00 | 100.00 | 100.00 |
| | Kai Yuan International Investment Co., Ltd. | Investment | 100.00 | 100.00 | 100.00 |
| | Far Eastern Polytex (Holding) Ltd. | Investment | 100.00 | 100.00 | 100.00 |
| | Yuan Ding Company Ltd. | Real estate construction and selling | 49.99 | 49.99 | 49.99 |
| | Far Eastern Construction Co., Ltd. | Real estate construction and selling | 65.11 | 65.11 | 65.11 |
| | Ding Yuan International Investment Co., Ltd. | Investment | 100.00 | 100.00 | 100.00 |
| | An Ho Garment Co., Ltd. | Investment | 100.00 | 100.00 | 100.00 |
| | FEDP (Holding) Ltd. (FEDP) | Investment | 100.00 | 100.00 | 100.00 |
| | Fu Kwok Garment Manufacturing Co., Ltd. | Garment production | 99.99 | 99.99 | 99.99 |
| | Far Eastern Textile Ltd. | Chemical fiber production | 100.00 | 100.00 | 100.00 |
| | Far Eastern Electronic Toll Collection Co., Ltd. | Electronic toll collection service | 66.33 | 66.33 | 66.33 |
| | Yuan Hsin Digital Payment Co., Ltd. | Other financing and supporting services | 65.01 | 68.43 | - |
| | Yuan Ding Investment Co., Ltd. | Oriental Textile (Holding) Ltd. (OTTI) | Investment | 100.00 | 100.00 |
| Far Eastern Apparel (Holding) Ltd. (FEAH) | | Sale of textile, garments, and clothing | 100.00 | 100.00 | 100.00 |
| Far Eastern Fibertech Co., Ltd. | | Nylon production | 100.00 | 100.00 | 100.00 |

(Continued)

| Investor | Investee | Main Business | % of Ownership | | | |
|---|---|--|--|-------------------|-----------------|--------|
| | | | December 31, 2014 | December 31, 2013 | January 1, 2013 | |
| | Far Eastern Apparel Co., Ltd. | Sale of textile, garments, and clothing | 100.00 | 100.00 | 100.00 | |
| | Oriental Resources Development Ltd. | Waste recycling and processing | 70.00 | 70.00 | 70.00 | |
| | Yuan Faun Ltd. | PET bottle production and selling | 100.00 | 100.00 | 100.00 | |
| Far Eastern Investment (Holding) Ltd. (FEIH) | FETG Investment Antilles N.V. | Investment | 100.00 | 100.00 | 100.00 | |
| | PET Far Eastern (M) Sdn. Bhd. | Bottle production | 50.00 | 50.00 | 50.00 | |
| | Far Eastern Apparel (Vietnam) Ltd. | Clothing production | 100.00 | 100.00 | 100.00 | |
| | Worldwide Polychem (HK) Ltd. (WWPI) | Petrochemical, PET and apparel productions foreign trade | 100.00 | 100.00 | 100.00 | |
| Far Eastern Polychem Industries Ltd. (FEPI) | Far Eastern Industries (Shanghai) Ltd. | Chemical fiber production | 100.00 | 100.00 | 100.00 | |
| | Far Eastern Industries (Yangzhou) Ltd. | PA and its by-product production | 100.00 | 100.00 | 100.00 | |
| | Far Eastern Ishizuka Green Pet Corporation (FIGP) | PET production and sale | 80.00 | 80.00 | - | |
| Far Eastern Construction Co., Ltd. | Far Eastern General Contractor Co., Ltd. | Construction | 99.95 | 99.95 | 99.95 | |
| Far Eastern Apparel (Holding) Ltd. (FEAH) | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Dyeing and finishing | 100.00 | 100.00 | 100.00 | |
| Far Eastern Apparel Co., Ltd. | Ming Ding Co. (Note 2) | Underwear selling | - | - | 44.80 | |
| FETG Investment Antilles N.V. | Waldorf Services B.V. | Investment | 100.00 | 100.00 | 100.00 | |
| Yuan Faun Ltd. | Yuan Cheng Human Resources Consultant Corp. | Personnel recruitment | 55.19 | 55.56 | 55.56 | |
| Yuan Tong Investment Co., Ltd. | Sino Belgium (Holding) Ltd. | Investment | 93.55 | 92.56 | 91.39 | |
| Far Eastern Apparel (Suzhou) Ltd. | An Ho Garment (Suzhou) Ltd. | Garment production | 100.00 | 100.00 | 100.00 | |
| | Suqian Far Eastern Apparel Co., Ltd. (Note 3) | Garment production and accessories | - | 100.00 | 100.00 | |
| PET Far Eastern (Holding) Ltd. (PETH) | Oriental Petrochemical (Shanghai) Corp. | PTA production and sale | 61.35 | 61.35 | 61.35 | |
| | Far Eastern Union Petrochemical (Yangzhou) Corporation (Note 4) | MEG and its by-product sale | - | 50.00 | 50.00 | |
| Oriental Textile (Holding) Ltd. (OTTI) | Far Eastern Industries (Wuxi) Ltd. | Fiber and textile production | 100.00 | 100.00 | 100.00 | |
| | Oriental Industries (Suzhou) Ltd. | Textile production | 100.00 | 100.00 | 100.00 | |
| FEDP (Holding) Ltd. (FEDP) | Far Eastern Industries (Suzhou) Ltd. | Garment production | 100.00 | 100.00 | 100.00 | |
| Far Eastern Polytex (Holding) Ltd. | Wuhan Far Eastern New Material Ltd. | Garment production and sale | 100.00 | 100.00 | 100.00 | |
| | Far Eastern Apparel (Suzhou) Ltd. | Garment production | 100.00 | 100.00 | 100.00 | |
| | Far Eastern Yihua Petrochemical (Yangzhou) Corporation | PTA and by-product production and sale | 60.00 | 60.00 | 60.00 | |
| | Far Eastern New Century (China) Investment Ltd. | Investment | 100.00 | 100.00 | 100.00 | |
| Far Eastern New Century (China) Investment Ltd. | Shanghai Yuan Zi Information Technology Co., Ltd. | Software development, equipment maintenance and consulting | 100.00 | 100.00 | 100.00 | |
| Sino Belgium (Holding) Ltd. | Yuan Ding enterprise Ltd. | | 100.00 | 100.00 | - | |
| | Sino Belgium (Suzhou) Ltd. | Brewer | 100.00 | 100.00 | 100.00 | |
| | Martens Beers Trading (Shanghai) Ltd. | Beer sale | 100.00 | 100.00 | 100.00 | |
| Oriental Petrochemical (Shanghai) Corp. Yuan Ding Company Ltd. | Shanghai Far Eastern Petrochemical Logistic Ltd. | Transportation | 100.00 | 100.00 | 100.00 | |
| | Ding Ding Hotel Co., Ltd. | Hotel | 80.99 | 80.99 | 80.98 | |
| | YDT Technology International Co., Ltd. | Electronic materials and by-product sale | 100.00 | 100.00 | 100.00 | |
| | Far Eastern Technical Consultants Co, Ltd. | Real estate development business consulting and management | 100.00 | 100.00 | 100.00 | |
| | FET Consulting Engineers Co., Ltd. | Investment | 100.00 | 100.00 | 100.00 | |
| | Ding Ding Integrated Marketing Services Co., Ltd. | Market research and general advertisement | 80.00 | 80.00 | 80.00 | |
| | Far Eastern Electronic Commerce Co., Ltd. | Electronic information providing services | 73.42 | 73.42 | 69.15 | |
| | FET Consulting Engineers Co., Ltd. | DDIM (Virgin Islands) Ltd. | Investment | 100.00 | 100.00 | 100.00 |
| | YDT Technology International Co., Ltd. | YDC (Virgin Islands) Ltd. | Investment | 100.00 | 100.00 | 100.00 |
| | YDC (Virgin Islands) Ltd. | Speedy (Shanghai) Digital Tech. Co., Ltd. | Intelligent control equipment and security monitoring products | 100.00 | 100.00 | 100.00 |
| DDIM (Virgin Islands) Ltd. | Yuan Ding Integrated Information Service (Shanghai) Inc. | Internet software development services | 100.00 | 100.00 | 100.00 | |

(Continued)

| Investor | Investee | Main Business | % of Ownership | | |
|--|--|---|-------------------|-------------------|-----------------|
| | | | December 31, 2014 | December 31, 2013 | January 1, 2013 |
| Far EasTone Telecommunications Co., Ltd. | New Century InfoComm Tech Co., Ltd. | Types I and II telecommunications services | 100.00 | 100.00 | 100.00 |
| | ARCOA Communication Co., Ltd. | Type II telecommunications services, sale of communications products and office equipment | 61.63 | 61.07 | 61.07 |
| | KGEx.com Co., Ltd. | Type II telecommunications services | 99.99 | 99.99 | 99.97 |
| | Yuan Cing Co., Ltd. | Call center services | 99.99 | 99.99 | 99.99 |
| | E. World (Holdings) Ltd. | Investment | 85.92 | 85.92 | 85.92 |
| | Far EasTron Holding Ltd. | Investment | 100.00 | 100.00 | 100.00 |
| | Far EasTern Info Service Holding Ltd. | Investment | 100.00 | 100.00 | 100.00 |
| | O-music Co., Ltd. | Electronic information providing services | 50.00 | 50.00 | 50.00 |
| | Q-Ware Communication Co., Ltd. | Type II telecommunications services | 81.46 | 81.46 | 81.46 |
| | Hiiir Co., Ltd. (formerly Yuan Shi Co., Ltd.) | Electronic information providing services | 89.54 | 80.00 | - |
| ARCOA Communication Co., Ltd. | DataExpress Infotech Co., Ltd. | Sale of communications products | 70.00 | 70.00 | 70.00 |
| New Century InfoComm Tech Co., Ltd. | New Diligent Co., Ltd. | Investment | 100.00 | 100.00 | 100.00 |
| | Information Security Service Digital United Co., Ltd. | Security and monitoring service via Internet | 100.00 | 100.00 | 100.00 |
| Digital United (Cayman) Ltd. | Digital United (Cayman) Ltd. | Investment | 100.00 | 100.00 | 100.00 |
| | Simple InfoComm Co., Ltd. | Type II telecommunications | 100.00 | 100.00 | 100.00 |
| Digital United (Cayman) Ltd. | Digital United Information Technology (Shanghai) Co., Ltd. | Design and research of computer system | 100.00 | 100.00 | 100.00 |
| New Diligent Co., Ltd. | Sino Lead Enterprise Limited | Telecommunications services | 100.00 | 100.00 | 100.00 |
| | Far Eastern New Diligent Co., Ltd. | Electronic toll collection service | 100.00 | 100.00 | 100.00 |
| Far Eastern Info Service (Holding) Ltd. | Far Eastern Tech-info Ltd. (Shanghai) | Computer software, data processing and network information providing services | - | 100.00 | 100.00 |
| DataExpress Infotech Co., Ltd. | Linkwell Tech. Co., Ltd. | Sale of communications products | 100.00 | 100.00 | 100.00 |
| | Home Master Technology Co., Ltd. | Sale of communications products | 99.99 | 99.99 | 99.99 |
| | Jing Yuan Technology Co., Ltd. (Note 5) | Data Processing services | - | 100.00 | 100.00 |
| Far Eastern Tech-info Ltd. (Shanghai) | Far Eastern New Century Information Technology (Beijing) Limited | Software development, equipment maintenance and consulting | - | - | 55.00 |
| Far Eastern New Diligent Co., Ltd. | Far Eastern New Century Information Technology (Beijing) Limited | Software development, equipment maintenance and consulting | 79.04 | 79.04 | - |
| | Far Eastern Tech-info Ltd. (Shanghai) | Computer software, data processing and network information providing services | 100.00 | - | - |

(Concluded)

Note 1: Even though the consolidated ownership of the Company and its subsidiaries to Far EasTone was not over 50%, over half of board of director's of Far EasTone were served by the Company and its subsidiaries. Thus, Far EasTone were included in a subsidiaries in the consolidated financial statement.

Note 2: A subsidiary started its liquidation on December 2012, and returned the shares on June 2013.

Note 3: A subsidiary was liquidated as of May 2014.

Note 4: The Company and its subsidiaries lost control over the subsidiaries by re-electing the board of directors.

Note 5: A subsidiary was liquidated as of January 28, 2014.

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquire, and the fair value of the acquirer's previously held equity interest in the acquire over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

f. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise, except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of nonmonetary items are included in profit or loss for the year except for exchange differences arising from the retranslation of nonmonetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including those of the subsidiaries, companies in other countries as well as currencies different from the ones used by the Group) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

g. Inventories

Inventories consist of raw materials, supplies, finished goods, work-in-process, merchandise inventories, available-for-sale - buildings and land, available-for-sale - land and construction-in-progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost, except for the inventory of construction industries are recorded at specific identification of cost on the balance sheet date.

h. Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. An significant influence is the right to involve the decision-making process in financial and operating policies of an associate rather than control or joint control that policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and is adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates attributable to the Group.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group remeasured the retained carrying amount of the associate at fair value from the date on which it ceases to have significant influence. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

The share of profit or loss of the Group's associates is recognized using the treasury stock method if there are reciprocal holdings between the Group and its associates.

The Group discontinues the use of the equity method from the date on which it ceases to have significant influence. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Freehold land is not depreciated.

Depreciation expense is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as that for owned assets. Assets are depreciated over the shorter of the lease term and their useful lives using the straight-line method.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs, and are subsequently measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

For a transfer from investment property to property, plant and equipment, the property's deemed cost for subsequent accounting is its fair value at the commencement of owner-occupation.

For a transfer from property, plant and equipment to investment property at the end of owner-occupation, any difference between the fair value of the property at the transfer date and its previous carrying amount is recognized in other comprehensive income.

For a transfer from inventories to investment property at the commencement of an operating lease, any difference between the previous carrying amount of the property and its fair value at the transfer date is recognized in profit or loss.

Any gain or loss arising on derecognition of an investment property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

k. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributable goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal, and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment loss, on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

m. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units in case of the Group can use a reasonable and consistent basis of allocation, otherwise, corporate assets are allocated to the smallest group of cash-generating units.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

n. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets, and loans and receivables.

i. Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is held for trading.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset.

ii. Held-to-maturity investments

Corporate bonds, which is above specific credit ratings and the Group has positive intent and ability to hold to maturity, are classified as held-to-maturity investments.

Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

iii. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

iv. Loans and receivables

Loans and receivables (including accounts receivable, cash and cash equivalents, debt investments with no active market and other financial assets) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as accounts receivable, assets are assessed for impairment on a collective basis even if they were assessed as not impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered an objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract, such as a default or delinquency in interest or principal payments, it becoming probable that the borrower will enter bankruptcy or financial re-organization, or the disappearance of an active market for that financial asset because of financial difficulties.

When an AFS financial asset is considered impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivables, where the carrying amount is reduced through the use of an allowance account. When accounts receivable are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables and other receivables that are written off against the allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method at the end of subsequent reporting periods.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

To manage its exposure to interest rate and foreign exchange rate risks, the Group uses a variety of derivative financial instruments, including cotton futures contracts, foreign exchange swap contracts, combined foreign exchange options, cross currency interest rate swap contract and interest rate swap contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

o. Hedge accounting

The Group designates certain hedging instruments (including derivative) as cash flow hedges.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and are included in the initial cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the Group revokes the designated hedging relationship, or when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer meets the criteria for hedge accounting. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

p. Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

1) Decommissioning, restoration and similar liabilities

The cost of an item of property, plant and equipment comprises:

- a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

2) Warranties

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, at the best estimate of the expenditure required to settle the Group's obligation by the management of the Group.

3) Onerous contracts

Where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract, the present obligations arising under onerous contracts are recognized and measured as provisions.

q. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Allowance for sales returns and liability for returns are recognized at the time of sale based on the seller's reliable estimate of future returns and based on past experience and other relevant factors.

1) Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) The amount of revenue can be measured reliably;
- d) It is probable that the economic benefits associated with the transaction will flow to the Group; and
- e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials ownership.

Revenue from selling of properties in the course of ordinary activities is recognized when the construction is completed and the properties are transferred to buyers. Until such revenue is recognized, deposits received from sales of properties and installment payments are carried in the consolidated balance sheets under current liabilities.

Where the Group enters into transactions which involve both the service of air time bundled with products, revenue for service and product are recognized based on the allocation of the total consideration received from customers using the relative fair values and the sales of product are limited to the amount that customers pay for.

Sales of goods that result in award credits for customers, under the Group's award scheme, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value, the amount for which the award credits could be sold separately. Such consideration is not recognized as revenue at the time of the initial sale transaction but is deferred and recognized as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

2) Rendering of services

Service income including that from operating service provided under service concession arrangements is recognized when services are provided.

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- a) Installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
- b) Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold; and
- c) Revenue from time and material contracts is recognized at the contractual rates as labor hours and direct expenses are incurred.

- d) Usage revenues from fixed network service, cellular services and interconnection and call transfer fees from other telecommunications companies and carriers are billed in arrears and are recognized based upon minutes of traffic processed when the services are provided in accordance with contract terms.

Other revenues are recognized as follows: (a) monthly fees are accrued every month, and (b) prepaid and recharge services are recognized as income based upon actual usage by customers.

3) Handling service revenue

The handling service revenue is the service charge recognized as revenue as car owners pass electronic toll collection ETC points and recognizes the service charge as revenue on the basis of specified ETC rates. ETC collects the toll from car owners in advance and recognizes the ETC payments as receipts under custody, which will be remitted to the Taiwan Area National Freeway Bureau (TANFB). In addition, the toll payments received in advance from enterprise users are recognized as accounts receivable received in advance, which are remitted to TANFB on the basis of real usage at specified toll rates.

4) Dividend and interest income

Dividend income from investments is recognized when the stockholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

r. Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred to date relative to the estimated total contract costs. However, where reasonably reliable estimates cannot be made, the measurement of proportion of contract may not be made. Variations in contract work, claims and incentive payments are included to the extent the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When contract costs incurred to date plus recognized profits less recognized losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognized profits less recognized losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated balance sheet, as a liability, as receipts in advance. Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under accounts receivable.

s. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1) The Group as a lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Contingent rents arising under operating leases are recognized as income in the period in which they are incurred.

2) The Group as a lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheets as a finance lease obligation.

Minimum lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rents are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Contingent rents arising under operating leases are recognized as an expense in the period in which they are incurred.

t. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

u. Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method. All actuarial gains and losses on the defined benefit obligation are recognized immediately in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the consolidated balance sheets represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Curtailment or settlement gains or losses on the defined benefit plan are recognized when the curtailment or settlement occurs.

v. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the stockholders approve the retention of earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current period's income tax expenses.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of Tangible and Intangible Assets Other Than Goodwill

For impairment test of assets, the Group evaluate and decide certain asset group's independent cash flows, useful lives of the assets and probable future profit or loss based on subjective judgment, asset usage model and telecommunications industry characteristics. Any change in national and local economic conditions or the Group's strategy may cause significant impairment loss.

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows from the cash-generating unit and a suitable discount rate for calculating the present value of these cash flows. If the actual future cash flows are less than expected, a material impairment loss may arise.

Write-down of Inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and the historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

Income Taxes

As of December 31, 2014, December 31, 2013 and January 1, 2013, the realizability of the deferred tax asset (liability) mainly depends on whether sufficient future profits or taxable temporary differences will be available. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

Estimated Impairment of Notes and Accounts Receivable

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If the actual future cash flows are less than expected, a material impairment loss may arise.

Useful lives of Property, Plant and Equipment

As described in Note 4(i), the Group reviews the estimated useful lives of property, plant and equipment (PPE) at each balance sheet date.

Impairment of Investment in the Associate

The Group immediately recognizes impairment loss on its net investment in the associate when there is any indication that the investment may be impaired and the carrying amount may not be recoverable. The Group's management evaluates the impairment based on the estimated future cash flow expected to be generated by the associate, including estimated cash flow by the associate's management. The Group also takes into consideration the market conditions and industry development to evaluate the appropriateness of assumptions.

Defined Benefit Plan

The pension cost and accrued pension liabilities recognized under a defined benefit plan are determined by actuarial valuations through the projected unit credit method. Under this method, the actuarial assumptions for pension plans are based on the estimation of appropriate discount rates for the plan obligation, employee turnover rates, and long-term average rates of salary increases. The expenses and liabilities recognized under the estimation of the defined benefit plan may be affected significantly by changes in the market and the economy.

Estimation of Gain and Loss on Construction Contracts

Contract revenues and costs of long-term construction contracts are recognized by the percentage-of-completion method. Under this method, the stage of completion of each contract is measured as a ratio of cumulative actual construction costs to total estimated contract costs. However, where reasonably reliable estimates cannot be made, the percentage-of-completion method may not be used. If contract-related situations such as structural changes, demand for indemnity and the giving of bonus commission occur during the contract period, contract revenues are recognized only to the extent that the amount of the construction contract can be estimated reliably or to the extent that a recoverable contract cost has been incurred.

The Group's estimation of total contract costs is based on the nature of construction, amounts of the components of construction costs, length of the construction periods, and construction techniques as projected by the management team of the Group.

6. CASH AND CASH EQUIVALENTS

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|--|------------------------------|------------------------------|------------------------|
| Cash | | | |
| Cash on hand and petty cash | \$ 36,872 | \$ 35,288 | \$ 42,237 |
| Demand and checking accounts | <u>16,414,588</u> | <u>14,382,802</u> | <u>11,071,486</u> |
| | <u>16,451,460</u> | <u>14,418,090</u> | <u>11,113,723</u> |
| Cash equivalents | | | |
| Time deposits with original maturities of less than three months | 6,308,925 | 6,162,786 | 15,673,463 |
| Commercial paper purchased under resell agreements | 2,627,403 | 5,788,905 | 1,978,629 |
| Corporate bonds purchased under resell agreements | <u>429,774</u> | <u>150,000</u> | <u>1,789,141</u> |
| | <u>9,366,102</u> | <u>12,101,691</u> | <u>9,441,233</u> |
| Management discretionary accounts | | | |
| Demand accounts | <u>167,857</u> | <u>125,793</u> | <u>90,210</u> |
| | <u>\$ 25,985,419</u> | <u>\$ 26,645,574</u> | <u>\$ 30,645,166</u> |

The Group's members individually contracted and fully authorized Oriental Securities Investment Advisory Co., Ltd. (OSIAC, trustee) to manage discretionary funds. Deposits that were entrusted to OSIAC's full management amounted to NT\$167,857 thousand, NT\$125,793 thousand and NT\$90,210 thousand as of December 31, 2014, December 31, 2013 and January 1, 2013, respectively.

The market rates for bank deposits as of the balance sheet date were as follows:

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|--|------------------------------|------------------------------|------------------------|
| Time deposits with original maturities of less than three months | 0.10%-4.48% | 0.01%-3.75% | 0.35%-2.86% |
| Commercial paper purchased under resell agreements | 0.46%-0.7% | 0.62%-0.74% | 0.68%-0.82% |
| Corporate bonds purchased under resell agreement | 0.60%-10.71% | 0.64% | 0.70%-0.80% |

Time deposits with original maturities of over three months amounted to NT\$4,077,160 thousand, NT\$2,339,682 thousand and NT\$3,145,035 thousand as of December 31, 2014, December 31, 2013 and January 1, 2013, respectively, and were classified under bond investments with no active market (Note 12).

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|---|----------------------|----------------------|---------------------|
| <u>Financial assets held for trading</u> | | | |
| Beneficial certificates | \$ 630,567 | \$ 565,240 | \$ 642,699 |
| Marketable equity securities | 374,567 | 562,623 | 387,107 |
| Guarantee deposits cotton futures contracts | 41,450 | 26,010 | 25,345 |
| Guarantee deposits - PTA futures contracts | 12,451 | - | - |
| Combined foreign exchange options | 40,085 | 5,335 | - |
| Forward exchange contracts | <u>24,996</u> | <u>32,480</u> | <u>3,368</u> |
| | <u>\$ 1,124,116</u> | <u>\$ 1,191,688</u> | <u>\$ 1,058,519</u> |
| Current | <u>\$ 1,124,116</u> | <u>\$ 1,191,688</u> | <u>\$ 1,058,519</u> |
| <u>Financial liabilities held for trading</u> | | | |
| Forward exchange contracts | \$ - | \$ 318 | \$ 619 |
| Combined foreign exchange options | 807 | - | - |
| Foreign exchange options | <u>-</u> | <u>272</u> | <u>-</u> |
| | <u>\$ 807</u> | <u>\$ 590</u> | <u>\$ 619</u> |
| Current | <u>\$ 807</u> | <u>\$ 590</u> | <u>\$ 619</u> |

a. Cotton futures contracts

The Company entered into cotton futures contracts mainly to hedge against the adverse fluctuation of cotton prices for the years ended December 31, 2014 and 2013. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Group had no outstanding cotton future contracts as of December 31, 2014, December 31, 2013 and January 1, 2013.

b. PTA futures contracts

The Group entered into PTA futures contracts mainly to hedge against the adverse fluctuation to PTA prices in the six months ended June 30, 2014. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Group had no outstanding PTA futures contracts as of December 31, 2014 and 2013.

c. Forward exchange contracts

The Group entered into forward exchange contracts for the years ended December 31, 2014 and 2013 to hedge against the exchange risks on foreign currency assets and liabilities. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

As of December 31, 2014, December 31, 2013 and January 1, 2013, the Group had outstanding forward exchange contracts, as follows:

| | Currency | Maturity | Contract Amount (Thousands) |
|--------------------------|-----------------|-----------------------|--|
| <u>December 31, 2014</u> | | | |
| Sell | EUR/USD | 2015.03.27-2015.05.28 | EUR9,000/USD11,121 |
| Buy | USD/JPY | 2015.03.05-2015.04.28 | USD5,000/JPY592,722 |
| Buy | USD/NTD | 2015.01.05-2015.03.27 | USD39,200/NTD1,226,708 |
| <u>December 31, 2013</u> | | | |
| Sell | EUR/USD | 2014.01.06-2014.02.07 | EUR6,708/USD5,000 |
| Buy | USD/JPY | 2014.01.27-2014.04.07 | USD19,500/JPY1,968,307 |
| Buy | USD/NTD | 2014.01.02-2014.02.19 | USD90,200/NTD2,680,900 |
| Buy | USD/MYR | 2014.01.15 | USD2,000/MYR6,587 |
| <u>January 1, 2013</u> | | | |
| Sell | EUR/USD | 2013.01.30-2013.02.26 | EUR4,000/USD5,235 |
| Sell | USD/NTD | 2013.01.28-2013.02.26 | USD14,620/NTD424,992 |
| Buy | USD/JPY | 2013.01.30 | USD4,000/JPY342,185 |
| Buy | USD/NTD | 2013.01.07-2013.03.08 | USD40,913/NTD1,188,275 |

d. Option contracts

The Group sold option contracts to profit on royalties and the difference between exchange rate fluctuations for the years ended December 31, 2014 and 2013.

The outstanding option contracts as of December 31, 2014, December 31, 2013 and January 1, 2013 were as follow:

| | Currency | Maturity | Contract Amount (Thousands) |
|--------------------------|-----------------|-----------------|--|
| <u>December 31, 2013</u> | | | |
| Sell call option | EUR/USD | 2014.01.27 | EUR2,000/USD2,790 |

e. Combined foreign exchange options

The Group entered into combined foreign exchange options for the years ended December 31, 2014 and 2013 to hedge against the exchange risks on foreign currency assets and liabilities. As of December 31, 2014 and 2013, the Group had outstanding combined foreign exchange options, as follows:

| | Currency | Maturity | Contract Amount (Thousands) |
|--------------------------|-----------------|-----------------------|--|
| <u>December 31, 2014</u> | | | |
| Sell EUR call options | EUR/USD | 2015.01.27-2015.03.27 | EUR76,650/USD98,139 |
| Buy EUR put options | EUR/USD | 2015.01.27-2015.03.27 | EUR25,550/USD32,713 |

(Continued)

| | Currency | Maturity | Contract Amount (Thousands) |
|--------------------------|-----------------|-----------------------|--|
| Sell EUR put options | EUR/USD | 2015.01.02-2015.01.23 | EUR800/USD999 |
| Buy EUR call options | EUR/USD | 2015.01.02-2015.01.23 | EUR200/USD250 |
| Sell USD put options | USD/JPY | 2015.1.28-2015.4.1 | USD91,500/JPY10,146,776 |
| Buy USD call options | USD/JPY | 2015.1.28-2015.4.1 | USD30,500/JPY3,382,259 |
| <u>December 31, 2013</u> | | | |
| Buy USD call options | USD/JPY | 2013.01.2-2013.05.28 | USD14,000/JPY1,385,356 |
| Sell USD put options | USD/JPY | 2013.01.2-2013.05.28 | USD42,000/JPY4,156,068 |
| Buy EUR call options | EUR/USD | 2013.01.2-2013.03.27 | EUR1,900/USD2,468 |
| Sell EUR put options | EUR/USD | 2013.01.2-2013.03.27 | EUR7,600/USD9,872 |
| | | | (Concluded) |

As of January 1, 2012, the Group had no outstanding combined foreign exchange options.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|---|------------------------------|------------------------------|------------------------|
| <u>Equity investments</u> | | | |
| Marketable equity securities | \$ 4,620,397 | \$ 5,257,255 | \$ 4,680,058 |
| Open-end mutual funds - beneficial certificates | 111,100 | 168,172 | 204,336 |
| Oversea mutual funds - beneficial certificates | 701,421 | 636,138 | 1,877,246 |
| Oversea shares | <u>214,801</u> | <u>185,003</u> | <u>-</u> |
| Available-for-sale financial assets | <u>\$ 5,647,719</u> | <u>\$ 6,246,568</u> | <u>\$ 6,761,640</u> |
| Current | \$ 929,101 | \$ 989,348 | \$ 2,272,149 |
| Non-current | <u>4,718,618</u> | <u>5,257,220</u> | <u>4,489,491</u> |
| | <u>\$ 5,647,719</u> | <u>\$ 6,246,568</u> | <u>\$ 6,761,640</u> |

9. HELD-TO-MATURITY FINANCIAL ASSETS

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|-------------------------|------------------------------|------------------------------|------------------------|
| <u>Bond investments</u> | | | |
| Asia Cement Corp. (ACC) | \$ <u>-</u> | \$ <u>99,962</u> | \$ <u>199,871</u> |
| Current | \$ - | \$ 99,962 | \$ 100,000 |
| Non-current | <u>-</u> | <u>-</u> | <u>99,871</u> |
| | <u>\$ -</u> | <u>\$ 99,962</u> | <u>\$ 199,871</u> |

In September 2009, an FENC subsidiary, Far EastOne, bought five-year corporate bonds of ACC for NT\$199,540 thousand (par value of NT\$200,000 thousand), with the effective interest rate of 2.004% and coupon interest rate of 1.95%. The interest is payable on September 22 annually. The Group had no outstanding held-to-maturity financial assets as of December 31, 2013.

10. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|--|----------------------|----------------------|-------------------|
| <u>Derivative financial assets under hedge accounting</u> | | | |
| Cash flow hedges - cross currency interest rate swap | \$ - | \$ 115 | \$ 4,650 |
| Cash flow hedges - forward exchange contracts | <u>-</u> | <u>4,327</u> | <u>17,312</u> |
| | <u>\$ -</u> | <u>\$ 4,442</u> | <u>\$ 21,962</u> |
| Current | <u>\$ -</u> | <u>\$ 4,442</u> | <u>\$ 21,962</u> |
| <u>Derivative financial liabilities under hedge accounting</u> | | | |
| Cash flow hedges - cross currency interest rate swap | \$ 3,150 | \$ - | \$ - |
| Cash flow hedges - forward exchange contracts | 11,800 | - | - |
| Cash flow hedges - interest rate swaps | <u>535,837</u> | <u>421,280</u> | <u>287,522</u> |
| | <u>\$ 550,787</u> | <u>\$ 421,280</u> | <u>\$ 287,522</u> |
| Current | \$ 14,950 | \$ - | \$ - |
| Non-current | <u>535,837</u> | <u>421,280</u> | <u>287,522</u> |
| | <u>\$ 550,787</u> | <u>\$ 421,280</u> | <u>\$ 287,522</u> |

Cash Flow Hedges

The Group's hedge strategy is to use cross currency interest rate swap and forward exchange contracts to hedge against adverse exchange risks on foreign currency assets.

The terms of the cross currency interest rate swap and forward exchange contracts were negotiated to match the terms of the respective designated hedged items. The outstanding cross currency interest rate swap and forward exchange contracts at the end of the reporting period were as follows:

December 31, 2014

| | Currency | Maturity Date | Contract Amount (Thousands) |
|-----------------------------------|----------|-----------------------|--------------------------------|
| Cross currency interest rate swap | USD/NTD | 2015.01.30 | USD5,000 |
| Forward exchange contracts | USD/NTD | 2015.02.17-2015.03.12 | USD15,000 |

December 31, 2013

| | Currency | Maturity Date | Contract Amount (Thousands) |
|-----------------------------------|-----------------|-----------------------|--|
| Cross currency interest rate swap | USD/NTD | 2014.01.16 | USD5,000 |
| Forward exchange contracts | USD/NTD | 2014.01.10-2014.01.27 | USD17,500 |

January 1, 2013

| | Currency | Maturity Date | Contract Amount (Thousands) |
|-----------------------------------|-----------------|-----------------------|--|
| Cross currency interest rate swap | USD/NTD | 2013.01.14 | USD5,000 |
| Forward exchange contracts | USD/NTD | 2013.01.08-2013.05.07 | USD68,000 |

The Group invested in overseas mutual funds and used cross currency interest rate swap and foreign exchange swaps (with terms of up to six months) to hedge against adverse cash flow fluctuations, and the foreign exchange agreements were designated as cash flow hedge. For the years ended December 31, 2014 and 2013, expected future trading exposures on foreign exchange swap contracts, amounting to loss \$40,394 thousand and \$79,752 thousand. The cash flows will be generated when the hedged target is sold, and the unrealized gain (loss) on this cash flow hedge will be reclassified from equity to profit or loss.

The gain on the hedged items that was reclassified from equity to profit in the consolidated comprehensive statements of income for the years ended December 31, 2014 and 2013 were as follows:

| | <u>For the Year Ended December 31</u> | |
|---------------------------------|--|------------------|
| | 2014 | 2013 |
| Net gain on sales of securities | <u>\$ 3,825</u> | <u>\$ 76,019</u> |

The Group entered into interest rate swap contracts to mitigate the risk of adverse in interest rates on the cash flow exposure related to outstanding variable rate debt. The outstanding interest rate swap contracts at the end of the reporting period were as follows:

| Hedged Items | Instruments | <u>Designated Hedging Instruments</u> | | | | Expected Period of Cash Flow |
|-------------------------------------|--------------------|--|---------------------------|---------------------------|---------------------------|---|
| | | <u>Notional Amount</u> | | <u>Fair Value</u> | | |
| | | <u>December 31</u> | <u>December 31</u> | <u>December 31</u> | <u>December 31</u> | |
| | | 2014 | 2013 | 2014 | 2013 | |
| Interest expense of long-term debts | Interest rate swap | \$ 6,077,652 | \$ 6,200,000 | \$ (535,837) | \$ (421,280) | 2012-2025 |

All interest rate swap contracts, which involved the exchange of fixed interest amounts for floating interest amounts, were designated as cash flow hedges to reduce the Group's cash flow exposure to adverse changes in interest rates on borrowings. The interest rate swaps and the interest payments on the loan were transacted simultaneously, and the amount accumulated in equity was reclassified to profit or loss over the period that the floating interest payments on debts affected profit or loss.

Gains and losses reclassified from equity to profit or loss were included in the following line item in the consolidated statements of comprehensive income:

| | <u>For the Year Ended December 31</u> | |
|--------------------------|--|------------------|
| | 2014 | 2013 |
| Interest expense credits | <u>\$ 41,922</u> | <u>\$ 78,369</u> |

11. FINANCIAL ASSETS CARRIED AT COST

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|---|----------------------|----------------------|---------------------|
| Domestic unlisted common shares | \$ 886,533 | \$ 753,286 | \$ 776,897 |
| Overseas unlisted common shares | 177,671 | 208,314 | 345,632 |
| Convertible bonds-conversion rights (Note 12) | <u>6,948</u> | <u>7,895</u> | <u>7,895</u> |
| | <u>\$ 1,071,152</u> | <u>\$ 969,495</u> | <u>\$ 1,130,424</u> |
| Current | \$ - | \$ 42,587 | \$ - |
| Non-current | <u>1,071,152</u> | <u>926,908</u> | <u>1,130,424</u> |
| | <u>\$ 1,071,152</u> | <u>\$ 969,495</u> | <u>\$ 1,130,424</u> |

The Group's management believed that the above unlisted common shares and convertible bonds-conversion rights held by the Group, whose fair value cannot be reliably measured due to the range of reasonable fair value estimates was so significant; therefore, they were measured at cost less impairment at the end of reporting period.

12. BOND INVESTMENTS WITH NO ACTIVE MARKET

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|--|----------------------|----------------------|---------------------|
| Bond investments - Bockhold N.V. | \$ 220,074 | \$ 267,007 | \$ 256,508 |
| Time deposits with original maturities more than 3 months | <u>4,077,160</u> | <u>2,339,682</u> | <u>3,145,035</u> |
| | <u>\$ 4,297,234</u> | <u>\$ 2,606,689</u> | <u>\$ 3,401,543</u> |
| Current | \$ 4,114,651 | \$ 2,606,689 | \$ 3,145,035 |
| Non-current | <u>182,583</u> | <u>-</u> | <u>256,508</u> |
| | <u>\$ 4,297,234</u> | <u>\$ 2,606,689</u> | <u>\$ 3,401,543</u> |

On February 26, 2009, an FENC subsidiary, Yuan Tong Investment Co., Ltd., bought convertible bonds amounting to EUR6,670 thousand issued by Bockhold N.V., with maturity on February 26, 2014. These three-year convertible bonds are payable semiannually, and the bonds can be converted proportionally to a total of 933 common shares of Bockhold N.V. The amount of the host debt contract was recognized as a bond investment with no active market, and the amount of the conversion rights of the convertible bonds was recognized under financial assets carried at cost (Note 11). On January 13, 2014, the bond agreement was renegotiated and the maturity of the bond was extended to March 14, 2019. As of December 31, 2014, Yuan Tong Investment Co., Ltd. had received EUR800 thousand.

13. NOTES AND ACCOUNTS RECEIVABLE

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|---------------------------------------|----------------------|----------------------|----------------------|
| <u>Notes and accounts receivable</u> | | | |
| Notes and accounts receivable | \$ 28,966,370 | \$ 28,867,370 | \$ 29,773,832 |
| Less: Allowance for doubtful accounts | <u>(1,246,348)</u> | <u>(1,125,669)</u> | <u>(1,150,240)</u> |
| | <u>\$ 27,720,022</u> | <u>\$ 27,741,701</u> | <u>\$ 28,623,592</u> |

When deciding the recoverability of accounts receivable, the Group considers any change in the credit quality from the date credit was initially granted up to the end of the reporting period. Allowance for doubtful accounts is recognized against accounts receivable on the basis of estimated irrecoverable amounts determined by reference to past defaults by counter-parties and the analysis of its current financial position.

The concentration of credit risk is limited because the Group's customer base is wide and is not focused on certain customers and companies involved are unrelated.

Movements of allowance for doubtful accounts were as follows:

| | <u>For the Year Ended December 31</u> | |
|--|---------------------------------------|---------------------|
| | 2014 | 2013 |
| Beginning balance | \$ 1,125,669 | \$ 1,150,240 |
| Add: Additional amount recognized from business combination | - | 1,858 |
| Add: Accounts recovered during the period | 281,200 | 272,318 |
| Add: Bad debt expenses | 283,862 | 182,216 |
| Deduct: Amounts written off during the period as uncollectible | (446,844) | (483,422) |
| Effect of exchange rate differences | <u>2,461</u> | <u>2,459</u> |
| Ending balance | <u>\$ 1,246,348</u> | <u>\$ 1,125,669</u> |

Sale of overdue accounts receivable

Under agreements signed in 2014, Far EasTone sold to asset management companies the overdue accounts receivable that had been written off. Thus, as of December 31, 2014 and 2013, Far EasTone and its subsidiaries were not under the risk of irrecoverable receivables.

Related information as of December 31, 2013 is as follows:

| | Amounts of Accounts Receivable Sold | Proceeds of the Sale of Accounts Receivable |
|---------------------------------------|--|--|
| E-Hao Management Consultant Co., Ltd. | <u>\$ 675,168</u> | <u>\$ 35,238</u> |

Related information as of December 31, 2013 is as follows:

| | Amounts of Accounts Receivable Sold | Proceeds of the Sale of Accounts Receivable |
|---|--|--|
| Hui Cheng Second Asset Management Co., Ltd. | \$ 4,067,103 | \$ 97,238 |
| Long Sun Asset Management Co., Ltd. | \$ 3,357,652 | \$ 80,128 |
| E-Hao Management Consultant Co., Ltd. | \$ 2,241,541 | \$ 76,275 |

14. INVENTORIES

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|---|------------------------------|------------------------------|------------------------|
| Merchandise inventories | \$ 4,165,565 | \$ 5,478,405 | \$ 3,370,419 |
| Finished goods | 4,974,502 | 4,843,104 | 4,646,465 |
| Work in progress | 2,662,558 | 2,463,792 | 2,138,420 |
| Raw materials | 6,238,013 | 8,017,791 | 8,611,484 |
| Supplies | 809,452 | 782,627 | 628,077 |
| Available-for-sale - buildings and land | 995,149 | 995,149 | 1,035,526 |
| Available-for-sale - land | 700,887 | 700,887 | 620,361 |
| Construction-in-progress | 1,459,429 | 903,217 | 502,368 |
| Prepayment for land | - | - | 64,000 |
| | <u>\$ 22,005,555</u> | <u>\$ 24,184,972</u> | <u>\$ 21,617,120</u> |

For the years ended December 31, 2014 and 2013, the costs of inventories sold and the costs of real estate sold were NT\$151,282,920 thousand and NT\$155,962,513 thousand, respectively.

The costs of inventories recognized as cost of goods sold, which included inventory write-downs for the years ended December 31, 2014 and 2013, were NT\$330,637 thousand and NT\$352,695 thousand, respectively.

15. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONSTRUCTION CONTRACTS

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|---|------------------------------|------------------------------|------------------------|
| Amount due from customers for <u>construction contracts</u> | | | |
| Construction costs incurred plus recognized profits less recognized losses to date | \$ 11,212,107 | \$ 13,797,342 | \$ 20,350,379 |
| Less: Progress billings | <u>8,925,196</u> | <u>12,323,556</u> | <u>18,798,693</u> |
| | <u>\$ 2,286,911</u> | <u>\$ 1,473,786</u> | <u>\$ 1,551,686</u> |

(Continued)

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|--|----------------------|----------------------|-------------------|
| Amounts due to customers for <u>construction contracts</u> | | | |
| Progress billings | \$ 2,541,337 | \$ 3,555,055 | \$ 4,142,257 |
| Less: Construction costs incurred plus recognized profits less recognized losses to date | <u>2,430,743</u> | <u>3,142,557</u> | <u>3,981,478</u> |
| | <u>\$ 110,594</u> | <u>\$ 412,498</u> | <u>\$ 160,779</u> |
| Retentions receivable | <u>\$ 100,978</u> | <u>\$ 253,419</u> | <u>\$ 271,677</u> |
| Retentions payable | <u>\$ 356,256</u> | <u>\$ 235,203</u> | <u>\$ 265,649</u> |
| | | | (Concluded) |

Certain amounts due from (to) customers for construction contracts are accounted for as retentions receivable on construction contracts. Retentions receivable on construction contracts bear no interest and are expected to remain as receivables until the satisfaction of conditions specified in each contract for the payment of such amounts during the retention periods, which are within the Group's normal operating cycle of usually more than 12 months after the reporting period.

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

| | <u>December 31, 2014</u> | | <u>December 31, 2013</u> | | <u>January 1, 2013</u> | |
|---|--------------------------|------------------------|--------------------------|------------------------|------------------------|------------------------|
| | Carrying Value | % of Owner- ship | Carrying Value | % of Owner- ship | Carrying Value | % of Owner- ship |
| Listed companies | | | | | | |
| Asia Cement Corp. | \$ 24,231,445 | 25 | \$ 22,939,506 | 25 | \$ 22,410,220 | 26 |
| Far Eastern Department Stores Co., Ltd. | 7,370,454 | 22 | 6,891,490 | 22 | 6,531,968 | 21 |
| Oriental Union Chemical Corp. | 6,597,024 | 31 | 5,523,640 | 26 | 5,401,509 | 27 |
| Everest Textile Co., Ltd. | <u>1,172,804</u> | 26 | <u>1,131,649</u> | 27 | <u>1,055,480</u> | 27 |
| | <u>39,371,727</u> | | <u>36,486,285</u> | | <u>35,399,177</u> | |
| Unlisted companies | | | | | | |
| Oriental Securities Corp. | 4,995,787 | 46 | 4,954,550 | 46 | 4,836,312 | 46 |
| Pacific Liu Tong Investment Co., Ltd. | 4,201,060 | 40 | 4,229,699 | 40 | 3,820,621 | 40 |
| Yu Yuan Investment Co. | 2,984,472 | 44 | 3,320,639 | 44 | 3,521,353 | 44 |
| Far Eastern International Leasing Corp. | 2,362,406 | 34 | 2,298,284 | 34 | 2,365,411 | 34 |
| Far Easter Union Petrochemical (Yangzhou) Corporation | 1,974,612 | 50 | - | - | - | - |
| Liquid Air Far East Co., Ltd. | 1,600,555 | 35 | 1,442,716 | 35 | 1,253,704 | 35 |
| Da Ju Fiber Corp. | 1,193,637 | 42 | 1,107,522 | 42 | 921,097 | 42 |
| Tong Da Air Industry (Yangzhou) Co., Ltd. | 1,048,327 | 50 | - | - | - | - |

(Continued)

| | December 31, 2014 | | December 31, 2013 | | January 1, 2013 | |
|---|--------------------------|-----------------------|--------------------------|-----------------------|------------------------|-----------------------|
| | Carrying Value | % of Ownership | Carrying Value | % of Ownership | Carrying Value | % of Ownership |
| Yu Ding Industry Co., Ltd. | \$ 617,990 | 31 | \$ 585,581 | 31 | \$ 523,021 | 31 |
| Yuan Ding Leasing Corp. | 428,360 | 46 | 420,032 | 46 | 428,421 | 46 |
| Kowloon Cement Corp. | 448,282 | 49 | 389,516 | 49 | 361,010 | 49 |
| Freudenberg Far Eastern Spunweb Co., Ltd. | 291,867 | 30 | 316,573 | 30 | 351,586 | 30 |
| FEDS Asia Pacific Development Co., Ltd. | 128,195 | 5 | 126,782 | 5 | 124,686 | 5 |
| Yue Ming Trading Co., Ltd. | 71,869 | 47 | 71,759 | 47 | 71,134 | 47 |
| Malaysia Garment Manufactures Pte. Ltd. | 65,794 | 38 | 58,839 | 38 | 56,967 | 38 |
| Alliance Digital Technology Co., Ltd. | 21,917 | 13 | 28,514 | 19 | - | - |
| Com 2B Corporation | 14,450 | 20 | 15,816 | 20 | 22,293 | 20 |
| iScreen | 16,526 | 40 | 15,587 | 40 | 18,568 | 40 |
| Opas Fund Segregated Portfolio Company | <u>1,646</u> | 34 | <u>1,549</u> | 34 | <u>1,509</u> | 34 |
| | <u>22,467,752</u> | | <u>19,383,958</u> | | <u>18,677,693</u> | |
| | <u>\$ 61,839,479</u> | | <u>\$ 55,870,243</u> | | <u>\$ 54,076,870</u> | |

(Concluded)

On March 31, 2014, the Group lost control over Far Eastern Union Petrochemical (Yangzhou) Corp. (FEUPY) when half of the board members, who represented the Group, lost their seats after a board of directors' election. The Group revalued its retained holding of FEUPY shares at fair value and recognized RMB3,912 thousand as gain on disposal of investment.

On February 26, 2014, Oriental Union Chemical Corp. entered into a joint venture to establish Tong Da Air Industry (Yangzhou) Co., Ltd. and acquired a 50% ownership of the latter company.

Investments in FEDS Asia Pacific Development Co., Ltd., Com2B Corporation and Alliance Digital Technology Co., Ltd. were accounted for using the equity method, because the Group exercised significant influence on them, even though the Group owned less than 20% of each investee's voting stock.

The calculation of the investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments were based on the associates' audited financial statements, except for those of Alliance Digital Technology Co., Ltd. in 2014 and 2013. Management believes there would have been no material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income had the financial statements of Alliance Digital Technology Co., Ltd. been audited.

The fair values of publicly traded investments accounted for using the equity method are summarized as follows, based on the closing prices of those investments as of the balance sheet date:

| Name of Associate | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|--------------------------|--------------------------|--------------------------|------------------------|
| Listed companies | <u>\$ 51,674,947</u> | <u>\$ 49,977,706</u> | <u>\$ 48,990,026</u> |

The summarized financial information of the Group's associates is as follows:

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|----------------------------|---------------------------------------|------------------------------|------------------------|
| Total assets | <u>\$ 512,446,336</u> | <u>\$ 483,635,911</u> | <u>\$ 460,072,999</u> |
| Total liabilities | <u>\$ 237,345,309</u> | <u>\$ 221,597,222</u> | <u>\$ 212,211,870</u> |
| | For the Year Ended December 31 | | |
| | 2014 | 2013 | |
| Operating revenue | <u>\$ 162,412,583</u> | <u>\$ 155,536,678</u> | |
| Net income | <u>\$ 17,793,359</u> | <u>\$ 21,252,583</u> | |
| Other comprehensive income | <u>\$ 7,763,599</u> | <u>\$ 2,539,171</u> | |

17. PROPERTY, PLANT AND EQUIPMENT

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|-------------------------------|------------------------------|------------------------------|------------------------|
| Property, plant and equipment | <u>\$ 139,055,972</u> | <u>\$ 124,767,713</u> | <u>\$ 116,637,790</u> |
| Prepayment for equipment | <u>4,914,856</u> | <u>6,103,204</u> | <u>2,881,210</u> |
| | <u>\$ 143,970,828</u> | <u>\$ 130,870,917</u> | <u>\$ 119,519,000</u> |

Carrying amounts

| | Land | Buildings | Machinery and Equipment | Telecommuni- cations Equipment | Computer Equipment | Leasehold Improvements | Operating And Miscellaneous Equipment | Construction-in- progress and Prepayment for Equipment | Total |
|---|----------------------|------------------------|------------------------------------|---|-------------------------------|-----------------------------------|--|---|-------------------------|
| Cost | | | | | | | | | |
| Balance at January 1, 2013 | \$ 16,366,341 | \$ 27,070,539 | \$ 112,632,847 | \$ 140,176,231 | \$ 12,107,418 | \$ 4,115,679 | \$ 17,267,808 | \$ 13,475,330 | \$ 343,212,193 |
| Acquisition of new subsidiary | - | - | - | 466 | 5,749 | 522 | 471 | - | 7,208 |
| Additions | 265,928 | 29,531 | 490,613 | 136,136 | 17,203 | 92,237 | 205,347 | 22,872,850 | 24,109,845 |
| Disposals | - | (39,096) | (5,672,122) | (3,705,561) | (129,900) | (123,044) | (838,347) | (17,618) | (10,525,688) |
| Adjustments and reclassification | 698,536 | 661,613 | 2,532,925 | 8,164,319 | 714,181 | 546,598 | 827,216 | (13,157,892) | 987,496 |
| Effect of exchange rate difference | <u>1,496</u> | <u>445,453</u> | <u>2,191,087</u> | <u>4</u> | <u>1,407</u> | <u>6</u> | <u>155,443</u> | <u>95,482</u> | <u>2,890,378</u> |
| Balance at December 31, 2013 | <u>\$ 17,332,301</u> | <u>\$ 28,168,040</u> | <u>\$ 112,175,350</u> | <u>\$ 144,771,595</u> | <u>\$ 12,716,058</u> | <u>\$ 4,631,998</u> | <u>\$ 17,617,938</u> | <u>\$ 23,268,152</u> | <u>\$ 360,681,432</u> |
| Accumulated depreciation and impairment | | | | | | | | | |
| Balance at January 1, 2013 | \$ (96,557) | \$ (11,276,286) | \$ (77,411,129) | \$ (109,693,554) | \$ (9,810,445) | \$ (2,949,103) | \$ (12,456,119) | \$ - | \$ (223,693,193) |
| Acquisition of new subsidiary | - | - | - | (120) | (2,795) | (258) | (118) | - | (3,291) |
| Disposals | - | 34,682 | 5,580,202 | 2,407,415 | 123,666 | 103,667 | 813,105 | - | 9,062,737 |
| Depreciation expense | - | (778,882) | (3,965,607) | (7,078,400) | (838,300) | (291,873) | (1,130,222) | - | (14,083,284) |
| Adjustments and reclassification | - | (49,548) | 17,448 | 12,510 | (1,757) | (1,154) | 28,082 | - | 5,581 |
| Effect of exchange rate difference | <u>-</u> | <u>(124,716)</u> | <u>(896,525)</u> | <u>(4)</u> | <u>(928)</u> | <u>(1)</u> | <u>(76,891)</u> | <u>-</u> | <u>(1,099,065)</u> |
| Balance at December 31, 2013 | <u>\$ (96,557)</u> | <u>\$ (12,194,750)</u> | <u>\$ (76,675,611)</u> | <u>\$ (114,352,153)</u> | <u>\$ (10,530,559)</u> | <u>\$ (3,138,722)</u> | <u>\$ (12,822,163)</u> | <u>\$ -</u> | <u>\$ (229,810,515)</u> |
| Cost | | | | | | | | | |
| Balance at January 1, 2014 | \$ 17,332,301 | \$ 28,168,040 | \$ 112,175,350 | \$ 144,771,595 | \$ 12,716,058 | \$ 4,631,998 | \$ 17,617,938 | \$ 23,268,152 | \$ 360,681,432 |
| Additions | 254 | 23,964 | 566,917 | 88,581 | 34,642 | 33,454 | 496,130 | 27,191,934 | 28,435,876 |
| Disposals | (5,016) | (118,996) | (1,482,729) | (12,836,553) | (215,925) | (99,362) | (734,485) | (39,712) | (15,532,778) |
| Derecognition of subsidiaries due to control loss | - | - | - | - | - | - | (20,565) | (1,505,414) | (1,525,979) |
| Adjustments and reclassification | - | 952,619 | 4,269,227 | 9,764,566 | 1,473,275 | 391,829 | 1,441,765 | (18,061,054) | 232,227 |
| Effect of exchange rate difference | <u>-</u> | <u>301,485</u> | <u>1,469,424</u> | <u>1</u> | <u>491</u> | <u>-</u> | <u>97,874</u> | <u>91,316</u> | <u>1,960,591</u> |
| Balance at December 31, 2014 | <u>\$ 17,327,539</u> | <u>\$ 29,327,112</u> | <u>\$ 116,998,189</u> | <u>\$ 141,788,190</u> | <u>\$ 14,008,541</u> | <u>\$ 4,957,919</u> | <u>\$ 18,898,657</u> | <u>\$ 30,945,222</u> | <u>\$ 374,251,369</u> |
| Accumulated depreciation and impairment | | | | | | | | | |
| Balance at January 1, 2014 | \$ (96,557) | \$ (12,194,750) | \$ (76,675,611) | \$ (114,352,153) | \$ (10,530,559) | \$ (3,138,722) | \$ (12,822,163) | \$ - | \$ (229,810,515) |
| Disposals | - | 82,989 | 1,439,700 | 11,960,452 | 212,779 | 75,039 | 692,256 | - | 14,463,215 |

(Continued)

| | Land | Buildings | Machinery and Equipment | Telecommunications Equipment | Computer Equipment | Leasehold Improvements | Operating And Miscellaneous Equipment | Construction-in-progress and Prepayment for Equipment | Total |
|---|--------------------|------------------------|-------------------------|------------------------------|------------------------|------------------------|---------------------------------------|---|-------------------------|
| Derecognition of subsidiaries due to control loss | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,335 | \$ - | \$ 2,335 |
| Impairment loss | - | - | (49,190) | - | - | - | - | - | (49,190) |
| Depreciation expense | - | (697,464) | (3,704,120) | (6,887,627) | (964,804) | (382,054) | (1,185,909) | - | (13,821,978) |
| Adjustments and reclassification | - | (186,144) | (41,451) | 875 | (3,852) | (511) | (12,346) | - | (243,429) |
| Effect of exchange rate difference | - | (93,462) | (669,804) | - | (212) | (8) | (57,493) | - | (820,979) |
| Balance at December 31, 2014 | <u>\$ (96,557)</u> | <u>\$ (13,088,831)</u> | <u>\$ (79,700,476)</u> | <u>\$ (109,278,453)</u> | <u>\$ (11,286,648)</u> | <u>\$ (3,446,256)</u> | <u>\$ (13,383,320)</u> | <u>\$ -</u> | <u>\$ (230,280,541)</u> |

(Concluded)

The above items of property, plant and equipment were depreciated on a straight-line basis over the following estimated useful lives:

| | |
|---|------------|
| Building | 3-60 years |
| Telecommunication equipment | 2-25 years |
| Computer equipment | 3-10 years |
| Machinery and equipment | 3-20 years |
| Leasehold improvements, operating and miscellaneous equipment | 3-15 years |

As of December 31, 2014, December 31, 2013 and January 1, 2013, farmland was reclassified to property, plant and equipment amounting to NT\$238,430 thousand and to investment properties amounting to NT\$34,591 thousand, NT\$34,783 thousand and NT\$34,783 thousand, respectively. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing that the farmlands belong to the Company or have pledged the land to the Company.

18. INVESTMENT PROPERTIES

| | Completed Investment Properties |
|---|--|
| Balance at January 1, 2013 | \$ 108,008,458 |
| Additions | 1,550 |
| Transferred to property, plant and equipment | (1,003,217) |
| Gain on change in fair value of investment properties | 6,424,024 |
| Net exchange differences | <u>27,710</u> |
| Balance at December 31, 2013 | <u>\$ 113,458,525</u> |
| Balance at January 1, 2014 | \$ 113,458,525 |
| Additions | 11,803 |
| Transferred to property, plant and equipment | (68,891) |
| Gain on change in fair value of investment properties | 6,222,659 |
| Net exchange differences | <u>39,113</u> |
| Balance at December 31, 2014 | <u>\$ 119,663,209</u> |

The Group and Asia Cement Corporation (ACC) co-own a land located on Dunhua South Road in Taipei. Under an agreement with the Group and ACC, Yuan Ding paid for the construction of a multifunctional building on this land and acquired 30-year right of superficies. However, the ownership of the building was registered in the name of the Group, ACC and Yuan Ding at 12%, 12% and 76% respectively. Upon expiration of the agreement, the Company and ACC will acquire Yuan Ding's 76% ownership of the building based on the carrying value of the building.

The construction of a building (Bangiao Zhong Ben) located in the Bangiao Xin Ban section was completed in 2011, and the building was leased to Far Eastern Department Stores Co., Ltd. (FEDS) as its department store space. A portion of the rental income generated from the operating lease was recognized over the lease term on a straight-line basis and the rest of the income was recognized as a percentage of FEDS's gross operating income. The lease of FEDS will expire in December 2026.

The investment property-Far Eastern Telecom Park was constructed in accordance to the enforcement rule of act for promotion of private participation in infrastructure project; and, the market rentals in the Bangiao where this investment property is located were between \$0.4 thousand and \$1.1 thousand per ping (i.e. 1 ping = 3.3 square meters).

The fair value of investment properties were as follows:

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|-----------------------|------------------------------|------------------------------|------------------------|
| Independent valuation | <u>\$119,663,209</u> | <u>\$113,458,525</u> | <u>\$108,008,458</u> |

The fair value of the investment properties as of December 31, 2014 was based on the valuations carried out at January 30, 2015 by independent qualified professional valutors, Mr. Tsai, Chia-ho and Ms. Hu, Chun-Chun, from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisers. The fair value of the investment properties as of December 31, 2013 and January 1, 2013 were based on the valuations carried out by Mr. Tsai, Chia-ho and Ms. Hu, Chun-Chun carried out at March 12, 2014.

The fair value of investment properties, except for undeveloped land, was measured using the income approach. The significant assumptions used were as follows:

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|-----------------------------------|------------------------------|------------------------------|------------------------|
| Expected future cash inflows | \$ 57,791,454 | \$ 53,460,913 | \$ 49,767,572 |
| Expected future cash outflows | <u>(1,952,832)</u> | <u>(1,947,933)</u> | <u>(1,848,542)</u> |
| Expected future cash inflows, net | <u>\$ 55,838,622</u> | <u>\$ 51,512,980</u> | <u>\$ 47,919,030</u> |
| Discount rate | 2.125%-2.28% | 2.125%-2.30% | 2.125%-2.30% |

The Group identified the investment properties located in Banqiao on the basis of their individual operating purposes and estimated future cash inflows/outflows by type of investment property. The difference between the estimated future cash inflows and outflows was used in estimating the total fair value of the Group's investment properties in Banqiao.

A part of the investment properties had been leased out under operating leases. The rental incomes generated from January 1 to December 31, 2014 and 2013 were NT\$1,090,254 thousand and NT\$970,251 thousand, respectively.

The expected future cash inflows generated by investment properties referred to rental income, interest income on rental deposits, loss on vacancy rate of space and disposal value. The rental income was extrapolated using the comparative market rentals covering 10 years, excluding too-high and too-low values, taking into account the annual rental growth rate. However, when the investment properties had specific rental period, the rental income was extrapolated on that rental period with no more than 10 years. Loss on vacancy rate of space was extrapolated using the vacancy rates of the neighboring stores and factories, the interest income on rental deposits was extrapolated using 1.36%, the interest rate announced by the central bank for the one-year average deposit interest rate of five major banks, and the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows on investment property included expenditures such as land value taxes, house taxes, insurance premium, maintenance costs, replacement allowance and depreciation. These expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value and the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the local same class product, a reasonable rental income level and the selling price of investment properties taking into consideration the liquidity, potential risk, appreciation and the complexity of management; in addition, the discount rate should not be lower than the interest rate for two-year time deposits of Chunghwa Post Co., Ltd. plus 0.75%.

The Group's undeveloped land was located in Zhongli District and Taipei City. The fair value was measured using the land development analysis, because it was undeveloped and cannot be measured by income approach. The significant assumptions used were as follows:

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|-------------------------------|------------------------------|------------------------------|------------------------|
| Estimated total sale price | <u>\$ 27,051,660</u> | <u>\$ 25,492,100</u> | <u>\$ 25,492,100</u> |
| Rate of return | 15%-18% | 15%-18% | 15%-18% |
| Overall capital interest rate | 1.36%-1.56% | 1.36%-1.46% | 1.36%-1.46% |

The estimated total sale price is specifically saying the sale price of some constructing buildings located in Chung Li, Taoyuan and the estimated total sale price is disclosed by reference to any existing lease, local rents, or market rents for similar comparable subjects. The fair value in that area is determined by sale price of each constructing building and estimated the total fair value.

The total selling price is estimated on the basis of the most effective use of land or property available for sale after development is completed, taking into account the related regulations, optimism of domestic macroeconomic prospects, local land use, and market rates.

19. GOODWILL

| | For the Year Ended December 31 | |
|--|---------------------------------------|----------------------|
| | 2014 | 2013 |
| <u>Cost</u> | | |
| Balance at January 1 | \$ 11,928,782 | \$ 11,980,944 |
| Additional amounts recognized from business combinations occurring | - | 2,771 |
| Impairment loss | - | (57,615) |
| Effect of foreign currency exchange differences | <u>1,661</u> | <u>2,682</u> |
| Balance at December 31 | <u>\$ 11,930,443</u> | <u>\$ 11,928,782</u> |

If an investment acquisition cost exceeds the fair value of identifiable net assets acquired, and the source of this excess cannot be identified, this excess should be recorded as goodwill. Goodwill mainly resulted from the mergers and acquisitions of Far EasTone, which obtained a large percentage of companies with which it had merged.

The Group was divided into several identifiable cash-generating units that enhance the Group's operating effectiveness and integrate its telecommunications resources: The mobile telecommunications service business, telecommunications equipment business, WiFly business and integrated network business.

As of December 31, 2014 and 2013, the carrying values of the tangible and intangible assets used by the Group were \$98,642,227 thousand and \$97,371,817 thousand, respectively. The Group's management estimated the recoverable amounts of core assets at their expected useful lives and thus based the cash flow forecast with the following discount rates as of December 31, 2014 and 2013: Mobile telecommunications service business - 10.28% and 10.33%, respectively; telecommunications equipment business - 7.32% and 7.38%, respectively; integrated network business - 10.02% and 9.85%, WiFly business - 7.77% and 8.00%, respectively. The operating revenue forecast was based on the expected future growth rate of the telecom industry along with the projected advancement of the Group's own business.

The principal assumptions and the relevant measurement of the recoverable amounts of the Group are summarized as follows:

- a. Expected future growth rate of the telecommunications industry
 - 1) Mobile voice service (MVS): The anticipated MVS is measured based on the actual effective customer base and minutes of usage of previous years, while the development trend of the market is taken into account.
 - 2) Mobile data service (MDS): The anticipated MDS is measured based on the proportion of MDS to the total telecommunications service revenues of previous years, while the demands and changes of the market are taken into account.
 - 3) Business of selling cellular phone units: The anticipated selling cellular phone is based on the historical sales revenues and quantities of previous years, while the trend of the market is taken into account.
 - 4) WiFly business: The anticipated WiFly is based on present operating experience and the demand of WiFly, while the trend of the industry is taken into account.
 - 5) Integrated network business (INB): The anticipated INB is measured based on the actual effective customer base and service revenues of previous years, while the trend of the market is taken into account.
- b. Expected ratio of service EBITDA (earnings before interest, taxes, depreciation and amortization) to operating revenue: The expected ratio is anticipated based on the historical ratio of EBITDA to operating revenues, while the possible influence of each revenue, cost and expense are taken into account.

The Group's management believed that any reasonable changes in the principal assumptions would not result in the carrying values exceeding the recoverable amounts. As of December 31, 2013, the Group had occurred an impairment loss of NT\$57,615 thousand, as shown by a comparison between the recoverable amounts and the carrying amounts of the Group's tangible and intangible assets using certain assumptions; this loss was included in other gains and losses. As of December 31, 2012, there was no indication of impairment loss.

20. CONCESSION AND INTANGIBLE ASSETS

| | December 31, 2014 | December 31, 2013 | January 1, 2013 | |
|--|----------------------|------------------------------|---------------------|----------------------|
| <u>Carrying amounts</u> | | | | |
| Concession | \$ 37,314,277 | \$ 37,734,135 | \$ 5,090,449 | |
| Other intangible assets | | | | |
| Computer software | 2,602,855 | 2,557,237 | 2,529,280 | |
| Others | <u>1,169,584</u> | <u>1,626,885</u> | <u>1,289,718</u> | |
| | <u>3,772,439</u> | <u>4,184,122</u> | <u>3,818,998</u> | |
| | <u>\$ 41,086,716</u> | <u>\$ 41,918,257</u> | <u>\$ 8,909,447</u> | |
| | Concession | Computer Software | Others | Total |
| Balance at January 1, 2013 | \$ 5,090,449 | \$ 2,529,280 | \$ 1,289,718 | \$ 8,909,447 |
| Acquisition of new subsidiary | - | 38,607 | 4,313 | 42,920 |
| Additions | 33,756,959 | 729,461 | 803,194 | 35,289,614 |
| Amortization | (1,112,741) | (756,343) | (475,686) | (2,344,770) |
| Disposals | (1,779) | (133) | - | (1,912) |
| Adjustments and reclassifications | 1,247 | 15,151 | (1,251) | 15,147 |
| Effect of exchange rate differences | <u>-</u> | <u>1,214</u> | <u>6,597</u> | <u>7,811</u> |
| Balance at December 31, 2013 | <u>\$ 37,734,135</u> | <u>\$ 2,557,237</u> | <u>\$ 1,626,885</u> | <u>\$ 41,918,257</u> |
| Balance at January 1, 2014 | \$ 37,734,135 | \$ 2,557,237 | \$ 1,626,885 | \$ 41,918,257 |
| Additions | 1,018,143 | 759,396 | 150,467 | 1,928,006 |
| Amortization | (1,436,675) | (794,831) | (610,921) | (2,842,427) |
| Disposals | (1,326) | (5,164) | (1,055) | (7,545) |
| Derecognition of subsidiaries due to control loss | - | (4,563) | - | (4,563) |
| Adjustments and reclassifications | - | 87,898 | 1,251 | 89,149 |
| Effect of exchange rate differences | <u>-</u> | <u>2,882</u> | <u>2,957</u> | <u>5,839</u> |
| Balance at December 31, 2014 | <u>\$ 37,314,277</u> | <u>\$ 2,602,855</u> | <u>\$ 1,169,584</u> | <u>\$ 41,086,716</u> |

The above other intangible assets were depreciated on a straight-line basis up to the estimated useful lives of the assets, as follows:

| | |
|-------------------|----------|
| Concession | 17 years |
| Computer software | 10 years |
| Others | 16 years |

An FENC subsidiary, Far EasTone, bid for a mobile broadband business concession on October 30, 2013, with a bidding price of \$31,315,000 thousand, included in intangible assets - concession. The National Communications Commission approved Far EasTone's business plan, and the Group later obtained letters of approval to start the execution of this plan. The plan was continuing and the letter of approval is effective until December 31, 2030.

21. SHORT-TERM BORROWINGS AND SHORT-TERM BILLS PAYABLE

a. Short-term borrowings

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|--------------------------------|----------------------|----------------------|----------------------|
| Credit loans | \$ 23,365,794 | \$ 24,372,853 | \$ 24,362,749 |
| Secured and pledged borrowings | 283,036 | 200,000 | 846,419 |
| Loans from related parties | <u>3,989,830</u> | <u>3,480,995</u> | <u>598,224</u> |
| | <u>\$ 27,638,660</u> | <u>\$ 28,053,848</u> | <u>\$ 25,807,392</u> |

- 1) The interest rates for bank loans were 0.80% to 4.48%, 0.67% to 4.18% and 0.75% to 6.16% as of December 31, 2014, December 31, 2013 and January 1, 2013, respectively.
- 2) Loans from related parties were the Group's repayments to related parties. Interest rates were all 0% as of December 31, 2014, December 31, 2013 and January 1, 2013.

b. Short-term bills payable

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|---|----------------------|----------------------|---------------------|
| Commercial paper | \$ 4,666,000 | \$ 5,121,000 | \$ 6,290,000 |
| Less: Unamortized discount on bills payable | <u>3,468</u> | <u>3,306</u> | <u>3,260</u> |
| | <u>\$ 4,662,532</u> | <u>\$ 5,117,694</u> | <u>\$ 6,286,740</u> |

The short-term bills payable outstanding were issued at interest rates of 0.80% to 1.40%, 0.79% to 1.37% and 0.83% to 2.34% as of December 31, 2014, December 31, 2013 and January 1, 2013, respectively.

22. PROVISIONS

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|-----------------------------|----------------------|----------------------|-------------------|
| Decommissioning obligations | \$ 870,515 | \$ 799,760 | \$ 733,552 |
| Warranties | 124,565 | 87,260 | 79,083 |
| Onerous contracts | <u>8,340</u> | <u>12,171</u> | <u>2,581</u> |
| | <u>\$ 1,003,420</u> | <u>\$ 899,191</u> | <u>\$ 815,216</u> |
| Current | \$ 240,197 | \$ 193,328 | \$ 160,425 |
| Non-current | <u>763,223</u> | <u>705,863</u> | <u>654,791</u> |
| | <u>\$ 1,003,420</u> | <u>\$ 899,191</u> | <u>\$ 815,216</u> |

| | Decommis- sioning Obligations | Warranties | Onerous Contracts | Total |
|----------------------------------|--|-------------------|------------------------------|---------------------|
| Balance at January 1, 2013 | \$ 733,552 | \$ 79,083 | \$ 2,581 | \$ 815,216 |
| Additional provisions recognized | 76,560 | 58,833 | 9,590 | 144,983 |
| Reductions | <u>(10,352)</u> | <u>(50,656)</u> | <u>-</u> | <u>(61,008)</u> |
| Balance at December 31, 2013 | <u>\$ 799,760</u> | <u>\$ 87,260</u> | <u>\$ 12,171</u> | <u>\$ 899,191</u> |
| Balance at January 1, 2014 | \$ 799,760 | \$ 87,260 | \$ 12,171 | \$ 899,191 |
| Additional provisions recognized | 84,001 | 99,749 | - | 183,750 |
| Reductions | <u>(13,246)</u> | <u>(62,444)</u> | <u>(3,831)</u> | <u>(79,521)</u> |
| Balance at December 31, 2014 | <u>\$ 870,515</u> | <u>\$ 124,565</u> | <u>\$ 8,340</u> | <u>\$ 1,003,420</u> |

23. LONG-TERM LIABILITIES

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|----------------------------------|------------------------------|------------------------------|------------------------|
| Bank loans | \$ 64,785,517 | \$ 43,722,573 | \$ 33,243,911 |
| Less: Current portion | <u>786,307</u> | <u>99,869</u> | <u>1,011,899</u> |
| | <u>\$ 63,999,210</u> | <u>\$ 43,622,704</u> | <u>\$ 32,232,012</u> |
| Nonconvertible bonds | \$ 74,144,000 | \$ 74,499,000 | \$ 44,780,000 |
| Discount of nonconvertible bonds | <u>(90,393)</u> | <u>(114,386)</u> | <u>(74,300)</u> |
| | <u>74,053,607</u> | <u>74,384,614</u> | <u>44,705,700</u> |
| Less: Current portion | <u>13,341,588</u> | <u>8,745,827</u> | <u>2,979,679</u> |
| | <u>\$ 60,712,019</u> | <u>\$ 65,638,787</u> | <u>\$ 41,726,021</u> |

Bank Loans

The foregoing loans are repayable through a lump sum payment on maturity in New Taiwan dollars, Japanese yen and U.S. dollars. The Company and its subsidiaries had been allowed to make loans within the credit line limit. The Company's loan as of December 31, 2014, December 31, 2013 and January 1, 2013 were due between February 2016 and March 2031, January 2015 and March 2031, and March 2014 and March 2031, respectively. Bank interest rates were 0.65% to 2.09%, 0.80% to 2.33% and 0.63% to 2.08% as of December 31, 2014, December 31, 2013 and January 1, 2013, respectively.

On July 1, 2008, an FENC subsidiary, Sino Belgium (Holding) Ltd. (SINO), reached a medium-term syndicated loan agreement with banks led by Chinatrust Commercial Bank. The total loan agreement amounted to US\$5,000 thousand. Under this agreement, another subsidiary of the Company, Yuan Tong, served as the guarantor of SINO and thus committed to keep its current, liability, tangible asset-equity and interest cover within certain ranges. Yuan Tong was in compliance with these ratio requirements.

On March 22, 2011, an FENC subsidiary, FECC entered into a NT\$4,000,000 thousand credit agreement with Hua Nan Bank and other financial institutions. In order to secured the debt obligation, FECC pledged its land pertaining to the Zhong Ben and Zhong Ben (2) project (Ban Ciao - New Section No. 8) amounting to NT\$4,800,000 thousand as the first mortgage to the creditor banks. Other agreement terms were as follows:

| | Credit Line | Maturity Period | Interest Rate | Repayment |
|----|-----------------------------------|-------------------------------------|---|--|
| a. | NT\$ 2,000,000 thousand | 20 years after use of the credit | Hua Nan Bank's periodic savings interest rate plus 0.40% then over 0.946% | Revolving credit within the period and no repayment in the first five years; quarterly repayments of NT\$30,000 thousand quarterly from the sixth year and redemption of rest on maturity |
| b. | <u>2,000,000</u> thousand | 5 years after use of the credit | Reference interest rate plus 0.433% | Revolving credit within the period; lump sum repayment on maturity |
| | <u>NT\$ 4,000,000</u> thousand | | | |

Note: The reference interest rate is based on Taiwan's second market 90 days' commercial paper fixing rate on page 6165 of the Telerate interest rate index at 11:00 a.m.

On December 4, 2009, an FENC subsidiary, Oriental Petrochemicals (Taiwan) Co., Ltd. (OPTC), got a five-year syndicated loan of NT\$4,200,000 thousand from Mega International Commercial Bank and Chinatrust Commercial Bank. OPTC committed that, during the contract period, its financial statements should show it was keeping its liability ratio within a certain range. Once OPTC fails to meet its commitment, it should issue new shares for cash by the end of November of next year, fully repay the loan, or put the asset/liability ratio back within the required range. Otherwise, OPTC should pay fees monthly at 0.2% per day of the outstanding amounts during the period between the maturity date and the day before the asset/liability ratio has met the range requirement; the banks will assess OPTC's condition to determine the new deadline for the settlement of the principal and the interests. As of December 31, 2014, OPTC was in compliance with the ratio requirement.

In 2003, an FENC subsidiary, Oriental Petrochemicals (Taiwan) Co., Ltd. (OPTC), got a five-year and seven-year syndicated loan in a total amount of NT\$1,100,000 thousand from Mega International Commercial Bank. OPTC committed that, during the contract period, its financial statements should show it was keeping its liability ratio within a certain range. Once OPTC fails to meet its commitment, it should issue new shares for cash by the end of November of next year, fully repay the loan, or put the asset/liability ratio back within the required range. Otherwise, OPTC should pay fees monthly at 0.125% per day of the outstanding amounts during the period between the maturity date and the day before the asset/liability ratio has met the range requirement; the banks will assess OPTC's condition to determine the new deadline for the settlement of the principal and the interests. As of December 31, 2014, OPTC was in compliance with the ratio requirement.

On April 23, 2012, in order to construct a freeway taximeter system infrastructure, an FENC subsidiary, Far Eastern Electronic Toll Collection Co., Ltd. (FETC), entered into a syndicated loan agreement amounting to NT\$6,420,000 thousand with Cathay United bank and three other financial institutions. The agreement terms are as follows:

The syndicated loan, which consisted of three different loans with different terms and lines of credit (A, B and C), was obtained to meet FETC's capital needs for operating and maintain the infrastructure for the electronic toll collection project ("ETC project"). FETC withdrew NT\$2,906,000 thousand from Loan A and NT\$3,294,000 thousand from Loan B. FETC provided a guarantee amounting to NT\$22,000 thousand from Loan C. Credit Line A has been partly drawn for the first time on May 10, 2012. Loan A is repayable quarterly in 26 equal installments from November 10, 2014 until February 2021. Credit Line B has been partly drawn for the first time on May 10, 2012. Credit line B will be paid quarterly in 26 installments from August 10, 2019, with maturity in November 2025.

Another requirement in the syndicated loan agreement was for FETC to open special bank accounts and to place appropriate payments to these bank accounts through deposits and time deposits. The bank accounts pertaining to the loan reserve and time deposits that had been pledged to Cathay United Bank were accounted for under other financial assets - non-current (Note 36). The terms of loan A and B further included a requirement for FETC to keep its loan capital and interest coverage ratio at more than 1.10 during the interest accrual period after November 10, 2014. In addition, FETC should get prior written consent from Cathay United Bank based on the schedule and amount of the ETC project shown in FETC's annual budget before FETC disposes of the pledged deposits and should replace these deposits with other operating assets as collateral. The value of the operating assets should be the lower of the value of newly built operating assets for ETC's operations or the value of other assets that had not been provided to Cathay United Bank as collateral. As of December 31, 2014, the value of the operating assets as collateral was NT\$1,936,000 thousand.

With FETC's long-term debts with floating rates, which may cause material cash flow risks, FETC started to use interest rate swaps on the first day it made a loan drawdown to hedge against adverse cash flow fluctuations on its liabilities under the syndicated loan agreement.

Bonds

FENC

On June 20, 2008, the Company issued five-year unsecured bonds (the second tranche). The bonds had an aggregate face value of NT\$1,000,000 thousand, with each unit having a face value of NT\$1,000 thousand. These bonds were repayable at the end of the third, fourth, and fifth years from the issuance date at 30%, 30% and 40%, respectively, of the total issued amounts, with 2.83% interest payable annually.

On July 18, 2008, the Company issued five-year unsecured bonds (the third tranche). The bonds had an aggregate face value of NT\$1,200,000 thousand, with each unit having a face value of NT\$1,000 thousand. These bonds were repayable at the end of the third, fourth, and fifth years from the issuance date at 30%, 30% and 40%, respectively, of the total issued amounts, with 2.95% interest payable annually.

On October 29, 2009, the Company issued unsecured bonds (the first tranche) amounting to NT\$3,000,000 thousand, with a unit face value of NT\$1,000 thousand. The five-year bonds are repayable at 50% of the aggregate value at the end of the fourth and fifth years of bond issuance, and the simple interest of 1.85% is payable annually.

On May 27, 2010, the Company issued five-year unsecured bonds (the first tranche) amounting to NT\$5,500,000 thousand at a unit face value of NT\$1,000 thousand. The five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.68% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On September 16, 2010, the Company issued five-year unsecured bonds (the second tranche) amounting to NT\$6,000,000 thousand at a unit face value of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.59% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On May 27, 2011, the Company issued five-year unsecured bonds (the first tranche) amounting to NT\$3,800,000 thousand at a unit face value of NT\$1,000 thousand. The five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.50% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On September 29, 2011, the Company issued five-year unsecured bonds (the second tranche) amounting to NT\$2,200,000 thousand at a unit face value of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.55% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On February 15, 2012, the Company issued five-year unsecured bonds (the third tranche) amounting to NT\$6,000,000 thousand at a unit face value of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.36% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On June 7, 2012, the Company issued five-year unsecured bonds (the first tranche) amounting to NT\$3,200,000 thousand at a unit face value of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.35% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On November 26, 2012, the Company issued five-year unsecured bonds (the second tranche) amounting to NT\$4,200,000 thousand at a unit face value of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.3% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On May 16, 2013, the Company issued three-year unsecured bonds (the first tranche) amounting to (a) RMB500,000 thousand and (b) JPY5,000,000 thousand with unit face values of RMB1,000 thousand and JPY 10,000 thousand, respectively. These three-year bonds will be repaid in lump sum on maturity. The interest rate of (a) is 2.95% and that of (b) is defined as three month JPY LIBOR + 1.10%. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On August 28, 2013, the Company issued three-year and six-month unsecured bonds (second tranche) amounting to NT\$3,000,000 thousand, with a unit face value of NT\$1,000 thousand. These three-year and six-month bonds will be repaid in lump sum on maturity plus a 1.39% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On December 23, 2013, the Company issued the five-year unsecured bonds (third tranche) amounting to NT\$2,800,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds will be repaid in lump sum on maturity plus a 1.45% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On August 21, 2014, the Company issued the five-year unsecured bonds (the first tranche) amounting to NT\$3,200,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.47% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On December 4, 2014, the Company issued the five-year unsecured bonds (second tranche) amounting to NT\$2,200,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.47% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

Yuan Ding Investment Co., Ltd. (YDI)

On July 19, 2010, YDI made its first issuance of unsecured bonds, with an aggregate value of NT\$2,000,000 thousand and par value of NT\$1,000 thousand. These five-year unsecured bonds are repayable at 30%, 30% and 40% of aggregate value at the end of the third, fourth and fifth years, respectively, of bond issuance, and the simple interest of 1.62% is payable annually.

On July 20, 2011, YDI made its first issuance of unsecured bonds, with an aggregate value of NT\$3,000,000 thousand and a par value of NT\$1,000 thousand. These five-year unsecured bonds are repayable at 30%, 30% and 40% of the aggregate value at the end of the third, fourth and fifth years, respectively, of bond issuance, and the simple interest of 1.5% is payable annually.

On December 15, 2011, YDI issued five-year unsecured/nonconvertible bonds (the second tranche). The bonds, which are repayable annually, have aggregate values of NT\$2,000,000 thousand and a par value of NT\$1,000 thousand. These bonds are repayable at 50% of aggregate value for each end of the fourth and fifth years, respectively, and the simple interest of 1.45% is payable annually.

On August 6, 2012, YDI issued three-year and five-year unsecured/nonconvertible bonds, with a total amount of NT\$3,000,000 thousand and a par value of NT\$1,000 thousand. The three-year bonds have an aggregate amount of NT\$1,900,000 thousand and are fully repayable on maturity, with 1.25% annual interest rate. The five-year bonds have an aggregate amount of NT\$1,100,000 thousand and are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.40% annual interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On November 25, 2013, YDI made its first issuance of unsecured nonconvertible bonds, with an aggregate value of NT\$3,000,000 thousand and a par value of NT\$1,000 thousand. These three-year bonds will be repaid in lump sum on maturity plus 1.35% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On May 26, 2014, YDI made its first issuance of unsecured nonconvertible bonds, with an aggregate value of NT\$3,000,000 thousand and a par value of NT\$1,000 thousand. These bonds are repayable at 50% of aggregate value for each end of the fourth and fifth years, respectively, and the simple interest of 1.45% is payable annually.

Far EasTone

On June 27, 2013, Far EasTone issued the fourth seven-year unsecured domestic bonds with an aggregate principal amount of \$5,000,000 thousand and a par value of \$10,000 thousand and the coupon interest rate of 1.33%, with simple interest due annually. Repayment will be made in the fifth and seventh years with equal installment.

On October 15, 2013, Far EastTone issued the fifth unsecured domestic bonds with an aggregate principal amount of \$5,000,000 thousand and a par value of \$10,000 thousand. The bonds included four-year bonds and five-year bonds, with the principle amount of \$1,000,000 thousand and \$4,000,000 thousand, having a coupon interest rate of 1.46% and 1.58%, with simple interest due annually, respectively. Repayment will be made in the fourth and fifth years with full amount.

On December 24, 2013, Far EastTone issued the sixth unsecured domestic bonds, with an aggregate principal amount of \$10,000,000 thousand and a par value of \$10,000 thousand. The bonds included three-year bonds, four-year bonds and six-year bonds, with the principal amounts of \$1,600,000 thousand and \$5,200,000 thousand and \$3,200,000 thousand, respectively, and coupon interest rates of 1.17%, 1.27% and 1.58%, with simple interest due annually. Full repayment will be made in the third, fourth and sixth years.

24. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The contract-related assets and liabilities of Far Eastern Construction Co., Ltd. (FECC), Far Eastern General Contractor Inc. (FEGC) are classified as current or non-current depending on the operating cycle. Amounts expected to be received or paid within one year or less were as follows:

| | December 31, 2014 | | |
|---|----------------------------|----------------------|--------------|
| | Within One Year | Over One Year | Total |
| <u>Assets</u> | | | |
| Notes and accounts receivable | \$ 126,283 | \$ 174,481 | \$ 300,764 |
| Inventories - construction and real estate | 2,454,578 | 700,887 | 3,155,465 |
| Amounts due from customers for construction contracts | 1,195,314 | 1,091,597 | 2,286,911 |
| Other financial assets - current | 315,863 | 1,276,691 | 1,592,554 |
| Refundable deposits - current | 531 | 7,068 | 7,599 |
| <u>Liabilities</u> | | | |
| Notes and accounts payable | 1,461,336 | 356,256 | 1,817,592 |
| Notes and accounts payable to affiliates | 193,195 | - | 193,195 |
| Amounts due to customers for construction contracts | 3,737 | 106,857 | 110,594 |
| Provisions - current | - | 53,445 | 53,445 |
| | December 31, 2013 | | |
| | Within One Year | Over One Year | Total |
| <u>Assets</u> | | | |
| Notes and accounts receivable | \$ 372,776 | \$ 47,805 | \$ 420,581 |
| Inventories - construction and real estate | 1,898,366 | 700,887 | 2,599,253 |
| Amounts due from customers for construction contracts | 1,335,519 | 138,267 | 1,473,786 |
| Other financial assets - current | 615,257 | 1,391,892 | 2,007,149 |
| Refundable deposits - current | 52,981 | 6,201 | 59,182 |

(Continued)

| | December 31, 2013 | | |
|---|----------------------------|----------------------|--------------|
| | Within One Year | Over One Year | Total |
| <u>Liabilities</u> | | | |
| Notes and accounts payable | \$ 539,091 | \$ 531,673 | \$ 1,070,764 |
| Notes and accounts payable to affiliates | 152,166 | - | 152,166 |
| Amounts due to customers for construction contracts | 100,040 | 312,458 | 412,498 |
| Provisions - current | - | 56,419 | 56,419 |
| | | | (Concluded) |

| | January 1, 2013 | | |
|---|----------------------------|----------------------|--------------|
| | Within One Year | Over One Year | Total |
| <u>Assets</u> | | | |
| Notes and accounts receivable | \$ 294,661 | \$ 20,520 | \$ 315,181 |
| Inventories - construction and real estate | 1,537,894 | 684,361 | 2,222,255 |
| Amounts due from customers for construction contracts | 1,540,771 | 10,915 | 1,551,686 |
| Other financial assets - current | 561,703 | 490,337 | 1,052,040 |
| Refundable deposits - current | 4,096 | 3,358 | 7,454 |

| | | | |
|---|-----------|---------|-----------|
| <u>Liabilities</u> | | | |
| Notes and accounts payable | 1,505,239 | 105,338 | 1,610,577 |
| Notes and accounts payable to affiliates | 176,204 | - | 176,204 |
| Advances on land and buildings | 14,037 | - | 14,037 |
| Amounts due to customers for construction contracts | 12,515 | 148,264 | 160,779 |
| Provisions - current | - | 57,642 | 57,642 |

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The pension plan under the Labor Pension Act (LPA) is a defined contribution plan. Based on the LPA, the rate of monthly contributions by the Group to the employees' individual pension fund accounts is at 6% of monthly wages and salaries. The subsidiaries in mainland China and other areas also make monthly contributions at certain percentages of the basic salary to retirement benefit plans. Thus, the Group recognized expenses of NT\$759,098 thousand and NT\$743,326 thousand in the consolidated statements of comprehensive income for the years ended December 31, 2014 and 2013, respectively.

b. Defined benefit plans

The Company and its subsidiaries established in Republic of China have defined benefit plans under the Labor Standards Law, which provide benefits based on an employee's length of service and average monthly salary for the six months before retirement. These companies contribute amounts corresponding to certain percentages of monthly salaries to their respective pension funds, which are administered by the Labor Pension Fund Supervisory Committee and deposited in the Committee's name in the Bank of Taiwan.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out on December 31, 2013. The present values of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method. For the years ended December 31, 2014 and 2013, the Group recognized employee benefit expenses of NT\$(13,979) thousand and NT\$5,060 thousand, respectively, based on the actuarial pension cost rate as of December 31, 2014 and 2013, respectively.

Actuarial assumptions were as follows:

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|---|------------------------------|------------------------------|------------------------|
| Discount rate used in determining present value | 1.50%-2.50% | 1.75%-2.25% | 1.25%-1.75% |
| Expected rate of return on plan assets | 1.25%-6.00% | 1.25%-6.00% | 1.75%-6.00% |
| Rate of future salary increase | 1.50%-5.00% | 1.50%-3.00% | 1.50%-4.00% |

The pension expenses for defined benefit plans recognized in profit or loss were included in:

| | For the Year Ended December 31 | |
|---|---------------------------------------|------------------|
| | 2014 | 2013 |
| Current service cost | \$ 118,266 | \$ 147,908 |
| Interest cost | 172,804 | 145,597 |
| Expected return on plan assets | (277,389) | (281,040) |
| Past service cost | (23,755) | (23,755) |
| Losses arising from curtailment or settlement | 840 | - |
| Retirement benefit cost | <u>-</u> | <u>22,292</u> |
| | <u>\$ (9,234)</u> | <u>\$ 11,002</u> |

Note: Pension costs capitalized to fixed assets were NT\$4,745 thousand in 2014 and NT\$5,942 thousand in 2013.

Actuarial gains and losses recognized in other comprehensive income for the years ended December 31, 2014 and 2013 were NT\$(264,365) thousand and NT\$108,100 thousand, respectively. The cumulative amounts of actuarial losses recognized in other comprehensive income as of December 31, 2014 and 2013 were NT\$(673,399) thousand and NT\$(409,034) thousand, respectively.

The amounts included in the consolidated balance sheet arising from the Group's obligation on its defined benefit plans were as follows:

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|--|------------------------------|------------------------------|------------------------|
| Present value of funded defined benefit obligation | \$ 8,401,106 | \$ 8,188,485 | \$ 8,619,246 |
| Fair value of plan assets | <u>(5,815,659)</u> | <u>(5,656,632)</u> | <u>(5,500,694)</u> |
| Deficit | 2,585,447 | 2,531,853 | 3,118,552 |
| Past service cost not yet recognized | 186,721 | 210,474 | 234,231 |
| Restriction on asset recognized | - | 4,767 | 5,293 |
| Recognized in prepaid pension cost | <u>52,800</u> | <u>45,211</u> | <u>45,108</u> |
| Accrued pension costs (Note) | <u>\$ 2,824,968</u> | <u>\$ 2,792,305</u> | <u>\$ 3,403,184</u> |

Note: Yuan Cing Infocomm Tech Co. (YCIC) conducted a tender offer to acquire the common shares of New Century InfoComm Tech Co., Ltd. (NCIC); therefore, the accrued pension costs of NT\$10,529 thousand each as of December 31, 2014 and 2013 have been written off in the consolidated financial statements.

Movements of the present value of the defined benefit obligations were as follows:

| | For the Year Ended December 31 | |
|------------------------------------|---------------------------------------|---------------------|
| | 2014 | 2013 |
| Opening defined benefit obligation | \$ 8,188,485 | \$ 8,619,246 |
| Current service cost | 118,266 | 147,908 |
| Interest cost | 172,804 | 145,597 |
| Actuarial (losses) gains | 190,050 | (263,408) |
| Benefits paid | (268,499) | (483,150) |
| Retirement benefit cost | <u>-</u> | <u>22,292</u> |
| Closing defined benefit obligation | <u>\$ 8,401,106</u> | <u>\$ 8,188,485</u> |

Movements of the fair value of the plan assets were as follows:

| | Years Ended December 31 | |
|-----------------------------------|--------------------------------|---------------------|
| | 2014 | 2013 |
| Opening fair value of plan assets | \$ 5,656,632 | \$ 5,500,694 |
| Expected return on plan assets | 277,389 | 281,040 |
| Actuarial losses/(gains) | (133,056) | (135,258) |
| Contributions from the employer | 282,626 | 475,712 |
| Assets distributed on settlements | (840) | - |
| Benefits paid | <u>(267,092)</u> | <u>(465,556)</u> |
| Closing fair value of plan assets | <u>\$ 5,815,659</u> | <u>\$ 5,656,632</u> |

The following major categories of plan assets at the end of the reporting period for each category were disclosed on the basis of the information announced by the Labor Pension Fund Supervisory Committee:

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|---|------------------------------|------------------------------|------------------------|
| Equity instruments | 72.39 | 69.65 | 67.27 |
| Deposit in other financial institutions | 4.56 | 6.82 | 9.87 |
| Pension account in the Bank of Taiwan | <u>23.05</u> | <u>23.53</u> | <u>22.86</u> |
| | <u>100.00</u> | <u>100.00</u> | <u>100.00</u> |

The overall expected rate of return was based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation, with reference to the use of the Labor Pension Fund by Labor Pension Fund Supervision Committee, taking into consideration the effect of possible differences between the guaranteed minimum income and the return on local banks' two-year time deposits.

The Group chose to disclose the history of experience adjustments for each accounting period prospectively from the date of transition to IFRSs:

| | December 31, 2014 | December 31, 2013 | January 1, 2013 | January 1, 2012 |
|---|----------------------|----------------------|--------------------|--------------------|
| Present value of defined benefit obligation | \$ 8,401,106 | \$ 8,188,485 | \$ 8,619,246 | \$ 7,789,329 |
| Fair value of plan assets | \$ 5,815,659 | \$ 5,656,632 | \$ 5,500,694 | \$ 5,075,216 |
| Deficit | \$ 2,585,447 | \$ 2,531,853 | \$ 3,118,552 | \$ 2,714,113 |
| Experience adjustments on plan liabilities | \$ 154,752 | \$ 101,043 | \$ 264,508 | \$ - |
| Experience adjustments on plan assets | \$ 142,596 | \$ (135,258) | \$ (139,835) | \$ - |

26. EQUITY

a. Share capital

Common shares

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|---|----------------------|----------------------|-----------------|
| Numbers of shares authorized (in thousands) | 6,000,000 | 6,000,000 | 6,000,000 |
| Amount of shares authorized | \$ 60,000,000 | \$ 60,000,000 | \$ 60,000,000 |
| Number of shares issued and fully paid (in thousands) | 5,247,917 | 5,145,017 | 5,044,134 |
| Shares issued | \$ 52,479,168 | \$ 51,450,165 | \$ 50,441,338 |

The shares issued had a par value of NT\$10 and have the rights of voting and receiving dividends.

b. Capital surplus

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|---|----------------------|----------------------|-----------------|
| <u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)</u> | | | |
| Share issuance in excess of par value | \$ - | \$ 932,814 | \$ 932,814 |
| Difference between consideration and carrying amounts arising from disposal/acquisition subsidiaries | 3,636,824 | 3,733,305 | 3,793,930 |
| <u>May be used to offset a deficit only (2)</u> | | | |
| Arising from changes in percentage of ownership interest in subsidiaries | 4,183 | 4,680 | 8,417 |
| Treasury stock transaction | 10,813 | 9,839 | 8,884 |

(Continued)

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|---|----------------------|----------------------|------------------------------------|
| <u>May not be used for any purpose</u> | | | |
| Changes in equity-method associates capital surplus | \$ 15,128 | \$ 404 | \$ - |
| | <u>\$ 3,666,948</u> | <u>\$ 4,681,042</u> | <u>\$ 4,744,045</u> (Concluded) |

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or may be transferred to share capital once a year within a certain percentage of Far EasTone's capital surplus.
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary, with these changes treated as equity transactions instead of actual disposal or acquisition of ownership interests, or from changes in capital surplus of subsidiaries.

c. Retained earnings and dividend policy

Under the Company's Articles of Incorporation, net income should be used to pay its business income tax and offset deficits. From any remaining net income will be appropriated 10% as legal reserve and a special reserve as required by government regulations. After adding prior years' unappropriated earnings, the Company would retain a certain amount for expansion plans and then make the following appropriations:

| | % |
|--|----|
| Dividends | 60 |
| Bonus for stockholders | 33 |
| Bonus for employees | 4 |
| Remuneration for directors and supervisors | 3 |

All appropriations are approved by the stockholders in the year, and disclosed in the financial statements of the year, following the year of earnings generation. The Company's dividends should be appropriated at a percentage based on the Company's Articles of Incorporation to have a stable dividend distribution while taking into account the future economic condition, cash demands and taxation. The cash dividends should be at least 10% of total dividends declared, unless cash is required for investments, productivity expansion, any significant future capital expenditures or plans to improve financial structure.

The estimates of the bonuses to employees were NT\$270,860 thousand and NT\$287,678 thousand for the years ended December 31, 2014 and 2013, respectively, and those of the remunerations to directors and supervisors were NT\$203,145 thousand and NT\$215,759 thousand for the years ended December 31, 2014 and 2013, respectively. The bonus to employees and the remuneration are based on the Company's Article of Incorporation. If the actual amounts subsequently resolved by the stockholders differ from the estimates, the differences are recorded as a change in accounting estimate. The management of the Company approved the distribution of the employees' bonus in cash for the years ended December 31, 2014 and 2013. If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the stockholders' meeting.

The Group appropriated and reversed special reserve in accordance with Rule No. 1010012865 issued by the FSC and the directive entitled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs.” Distributions can be made out of any subsequent reversal of the debit to other equity items. The Group also appropriated and reversed special reserve in accordance with Rule No. 1030006415 issued by the FSC.

Appropriation of earnings to legal reserve should be made until the legal reserve equals the Company’s paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s capital surplus, the excess may be transferred to capital or distributed in cash.

Except for non-ROC resident stockholders, all stockholders receiving the dividends are allowed a tax credit equal to their proportionate share of the income tax paid by Far EasTone.

The appropriations from the 2013 and 2012 earnings were approved in the stockholders’ meetings on June 26, 2014 and June 25, 2013, respectively. The appropriations and dividends per share were as follows:

| | Appropriation of Earnings | | Dividends Per Share (NT\$) | |
|-----------------|----------------------------------|----------------------------|---------------------------------------|--------------------------|
| | For Year 2013 | For Year 2012 | For Year 2013 | For Year 2012 |
| | Legal reserve | \$ 720,708 | \$ 866,789 | |
| Cash dividends | 6,688,522 | 6,557,374 | \$ 1.3 | \$ 1.3 |
| Stock dividends | <u> -</u> | <u> 1,008,827</u> | - | 0.2 |
| | <u>\$ 7,409,230</u> | <u>\$ 8,432,990</u> | | |

In order to refine company’s financial and capital structures, the Company’s board of directors resolved to issue share dividends from capital surplus of NT\$1,029,003 thousand of par value at NT\$0.2 in the stockholders’ meetings on June 26, 2014.

The bonus to employees and the remuneration to directors and supervisors for 2013 and 2012, which were approved in the stockholders’ meetings on June 26, 2014 and June 25, 2013, respectively, were as follows:

| | For the Year Ended 2013 | | For the Year Ended 2012 | |
|---|--------------------------------|----------------------------|--------------------------------|----------------------------|
| | Cash Dividends | Stock Dividends | Cash Dividends | Stock Dividends |
| Bonus to employees | \$ 287,678 | \$ - | \$ 325,428 | \$ - |
| Remuneration of directors and supervisors | 215,759 | - | 244,071 | - |

The appropriations of earnings for 2012 were proposed according to the Company’s financial statements for the years ended December 31, 2012, which were prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and the Generally Accepted Accounting Standard in the Republic of China (“ROC GAAP”), and by reference to the balance sheet for the year ended December 31, 2012, which was prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards.

| | For the Year Ended December 31 | | | |
|---|---------------------------------------|--|--------------------------------|--|
| | 2013 | | 2012 | |
| | Bonus to Employee Bonus | Remuneration to Directors and Supervisors | Bonus to Employee Bonus | Remuneration to Directors and Supervisors |
| Amounts approved in stockholders' meetings | \$ 287,678 | \$ 215,759 | \$ 325,428 | \$ 244,071 |
| Amounts recognized in respective financial statements | <u>287,678</u> | <u>215,759</u> | <u>325,428</u> | <u>244,071</u> |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

The approved amounts of the bonus to employees and the remuneration to directors and supervisors were the same as the accrual amounts reflected in the financial statements for the years ended December 31, 2014 and 2013. The total bonus to employees was paid in cash.

The appropriations and distribution of the 2013 earnings had been proposed by the board of directors on March 19, 2014. The appropriations and dividends per share were as follows:

| | Appropriation and Distribution | Dividends Per Share (NT\$) |
|-----------------|---------------------------------------|-----------------------------------|
| Legal reserve | \$ 1,103,342 | |
| Special reserve | 4,348,583 | |
| Cash dividends | 6,297,500 | \$1.2 |

In order to refine company's financial and capital structures the Company's board of directors resolved to issue share dividends from capital surplus of NT\$1,049,583 thousand of par value at NT\$0.2 in the board of director's meeting on March 19, 2014.

The proposed amount of the appropriation of the 2014 earnings, including the distribution of the bonus to employees and the remuneration to directors and supervisors, will be presented to the stockholders for their approval in their meeting on June 26, 2015.

Information on the bonus of employees approved at stockholders' meetings can be accessed online through the Market Observation Post System on the Web site of the Taiwan Stock Exchange Corporation (<http://emops.tse.com.tw>).

d. Special reserves appropriated following the first-time adoption of IFRSs

The Company's special reserves appropriated following the first-time adoption of IFRSs were as follows:

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|-----------------|--------------------------|--------------------------|------------------------|
| Special reserve | <u>\$ 22,275,153</u> | <u>\$ 22,275,153</u> | <u>\$ 22,287,929</u> |

Information on the above special reserve appropriated or reversed on elimination of the original need to appropriate a special reserve is as follows:

| | For the Year Ended December 31, 2013 |
|---|---|
| Balance at January 1, 2013 | \$ 22,287,929 |
| Reversed on elimination of the original need to appropriate a special reserve | |
| Disposal of associates | <u>(12,776)</u> |
| Balance at December 31, 2013 | <u>\$ 22,275,153</u> |

On the initial application of fair value model to investment properties, Far EasTone appropriated for a special reserve of NT\$80,462,245 thousand, the same amount as the net increase that arose from fair value measurement and was transferred to retained earnings

e. Other equity items

The changes in other equity items were as follows:

| | Exchange Differences on Translating Operations | Unrealized Gain on Financial Instruments | Cash Flow Hedges | Unrealized Revaluation Surplus | Total |
|---|---|---|-----------------------------|---|--|
| Balance at January 1, 2013 | \$ (2,534,967) | \$ 5,038,679 | \$ (73,287) | \$ | \$ 2,430,425 |
| Effect of the retrospective application of an accounting change and financial statement restatement | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance at January 1, 2013 as restated | (2,534,967) | 5,038,679 | (73,287) | - | 2,430,425 |
| Exchange differences on translating operations | 2,140,230 | - | - | - | 2,140,230 |
| Unrealized gain on available-for-sale financial assets | - | 530,902 | - | - | 530,902 |
| Losses on hedging instruments in cash flow hedges arising from fair value changes | - | - | (50,509) | - | (50,509) |
| Revaluation losses | - | - | - | 7,794 | 7,794 |
| Share of the other comprehensive income of associates | <u>685,933</u> | <u>(1,096,849)</u> | <u>5,433</u> | <u>367</u> | <u>(405,116)</u> |
| Balance at December 31, 2013 | <u>\$ 291,196</u> | <u>\$ 4,472,732</u> | <u>\$ (118,363)</u> | <u>\$ 8,161</u> | <u>\$ 4,653,726</u> (Continued) |

| | Exchange Differences on Translating Operations | Unrealized Gain on Financial Instruments | Cash Flow Hedges | Unrealized Revaluation Surplus | Total |
|---|---|---|-----------------------------|---|------------------------------------|
| Balance at January 1, 2014 | \$ 291,196 | \$ 4,472,732 | \$ (118,363) | \$ 8,161 | \$ 4,653,726 |
| Exchange differences on translating operations | 1,587,070 | - | - | - | 1,587,070 |
| Unrealized gain on available-for-sale financial assets | - | (555,439) | - | - | (555,439) |
| Losses on hedging instruments in cash flow hedges arising from fair value changes | - | - | (54,885) | - | (54,885) |
| Share of the other comprehensive income of associates | 993,594 | (287,641) | 197 | 504,446 | 1,210,596 |
| | <u>993,594</u> | <u>(287,641)</u> | <u>197</u> | <u>504,446</u> | <u>1,210,596</u> |
| Balance at December 31, 2014 | <u>\$ 2,871,860</u> | <u>\$ 3,629,652</u> | <u>\$ (173,051)</u> | <u>\$ 512,607</u> | <u>\$ 6,841,068</u> (Concluded) |

f. Non-controlling interests

| | For the Year Ended December 31 | |
|---|---------------------------------------|----------------------|
| | 2014 | 2013 |
| Beginning balance | \$ 66,133,950 | \$ 61,243,995 |
| Impact on the first-time application of the fair value model to investment properties | - | <u>2,634,739</u> |
| Adjusted beginning balance | 66,133,950 | 63,878,734 |
| Attributable to non-controlling interests: | | |
| Share of profit for the year | 6,154,881 | 7,726,215 |
| Cash dividends distributed by subsidiaries | (7,960,785) | (7,716,375) |
| Exchange differences arising on translation of foreign entities | 571,964 | 344,056 |
| Loss on hedging instruments in cash flow hedges arising from fair value changes | (100,060) | (81,967) |
| Unrealized gains on available-for-sale financial assets | 20,206 | (33,977) |
| Revaluation gains | - | 1,515 |
| Actuarial gains (loss) on defined benefit plan | 47,734 | 22,987 |
| Non-controlling interests arising from the issue of new shares of subsidiaries | 820,589 | 2,186,778 |
| Non-controlling decreases arising from the disposal of subsidiaries | (1,769,648) | - |
| Acquisition of partial non-controlling interests in subsidiaries | 56,063 | 69,264 |
| Net change in net assets from investments in associates | (158,419) | (263,322) |
| Disposal of investment in associates | <u>1,850</u> | <u>42</u> |
| Ending balance | <u>\$ 63,818,325</u> | <u>\$ 66,133,950</u> |

g. Treasury shares

The Company's shares held by its subsidiary, Yuan Ding Company Ltd. (Yuan Ding), at the end of the reporting periods were as follows:

| Name of Subsidiary | Number of Shares Held (In Thousands) | Carrying Amount | Market Price |
|---------------------------|---|------------------------|---------------------|
| <u>December 31, 2014</u> | | | |
| Yuan Ding | 764 | <u>\$ 25,063</u> | <u>\$ 23,992</u> |
| <u>December 31, 2013</u> | | | |
| Yuan Ding | 749 | <u>\$ 25,063</u> | <u>\$ 25,769</u> |
| <u>January 1, 2013</u> | | | |
| Yuan Ding | 734 | <u>\$ 25,063</u> | <u>\$ 24,309</u> |

The Company consolidated its subsidiary, Yuan Ding, on December 28, 2011. As of December 31, 2011, the Company's shares held by Yuan Ding had a carrying value of NT\$25,063 thousand.

The Company's shares held by the subsidiary are recognized as treasury stock. The subsidiaries holding treasury shares, however, retain stockholders' rights, except the rights to participate in any share issuance for cash and to vote.

27. EARNINGS PER SHARE

Unit: NT\$ Per Share

| | <u>For the Year Ended December 31</u> | |
|----------------------------|---------------------------------------|----------------|
| | <u>2014</u> | <u>2013</u> |
| Basic earnings per share | | |
| Basic earnings per share | <u>\$ 2.25</u> | <u>\$ 2.69</u> |
| Diluted earnings per share | | |
| Diluted earnings per share | <u>\$ 2.24</u> | <u>\$ 2.69</u> |

The earnings and weighted average number of common shares outstanding that were used in the computation of earnings per share were as follows:

Net Profit for the Period

| | <u>For the Year Ended December 31</u> | |
|---|---------------------------------------|----------------------|
| | <u>2014</u> | <u>2013</u> |
| Profit for the period attributable to owners of the Company | <u>\$ 11,033,421</u> | <u>\$ 13,215,754</u> |

Weighted Average Number of Common Shares Outstanding

| | Unit: In Thousand Shares | |
|--|---------------------------------------|------------------|
| | <u>For the Year Ended December 31</u> | |
| | 2014 | 2013 |
| Weighted average number of common shares used in the computation of basic earnings per share | 4,906,317 | 4,904,448 |
| Effect of dilutive potential common shares: | | |
| Bonus issue to employee | <u>11,999</u> | <u>14,230</u> |
| Weighted average number of common shares used in the computation of diluted earnings per share | <u>4,918,316</u> | <u>4,918,678</u> |

In calculating the weighted average number of share outstanding for consolidated EPS, the Group recognized the number of the shares held by associates as treasury shares and deducted the number of treasury shares from the weighted average number of outstanding shares in the current period.

If the Company decides to settle the employee bonus in cash or stock, it should presume that the entire amount of the bonus would be settled in shares, and if the resulting potential shares would have a dilutive effect, these shares should be included in the weighted-average number of shares outstanding to be used in the calculation of the diluted EPS.

The Company calculated basic EPS with the weighted average number of outstanding shares in the current period. Based on the calculation, for the years ended December 31, 2014 and 2013, the Company's EPS were NT\$2.1 and NT\$2.52, respectively.

28. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

Capitalized interests on properties were NT\$213,198 thousand and NT\$115,810 thousand for the years ended December 31, 2014 and 2013, respectively, and the capitalization rates were from 1.07% to 1.71% and from 0.003% to 1.9177% for the years ended December 31, 2014 and 2013, respectively.

b. Depreciation and amortization

| | <u>For the Year Ended December 31</u> | |
|--|---------------------------------------|----------------------|
| | 2014 | 2013 |
| Property, plant and equipment | \$ 13,821,978 | \$ 14,083,284 |
| Intangible assets | 2,842,427 | 2,344,770 |
| Long-term prepayments for lease | <u>243,605</u> | <u>95,499</u> |
| | <u>\$ 16,908,010</u> | <u>\$ 16,523,553</u> |
| An analysis of deprecation by function | | |
| Operating costs | \$ 12,145,992 | \$ 12,823,374 |
| Operating expenses | 1,579,652 | 1,210,775 |
| Other expense | <u>96,424</u> | <u>49,135</u> |
| | <u>\$ 13,821,978</u> | <u>\$ 14,083,284</u> |

(Continued)

| | For the Year Ended December 31 | |
|---|---------------------------------------|---------------------|
| | 2014 | 2013 |
| An analysis of amortization by function | | |
| Operating costs | \$ 2,027,198 | \$ 1,648,886 |
| Operating expenses | <u>1,058,834</u> | <u>791,383</u> |
| | <u>\$ 3,086,032</u> | <u>\$ 2,440,269</u> |
| | | (Concluded) |

c. Employee benefits expense

| | For the Year Ended December 31 | |
|--|---------------------------------------|----------------------|
| | 2014 | 2013 |
| Post-employment benefits | | |
| Defined contribution plans | \$ 759,098 | \$ 743,326 |
| Defined benefit plans | (13,979) | 5,060 |
| Other employee benefits | <u>17,700,864</u> | <u>16,507,508</u> |
| Total employee benefit expense | <u>\$ 18,445,983</u> | <u>\$ 17,255,894</u> |
| Analysis of employee benefit expense by function | | |
| Operating costs | \$ 8,736,603 | \$ 7,984,265 |
| Operating expenses | <u>9,709,380</u> | <u>9,271,629</u> |
| | <u>\$ 18,445,983</u> | <u>\$ 17,255,894</u> |

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

| | For the Year Ended December 31 | |
|---|---------------------------------------|---------------------|
| | 2014 | 2013 |
| Current tax | | |
| In respect of the current year | \$ 2,554,211 | \$ 3,017,804 |
| In respect of prior periods | <u>(53,861)</u> | <u>17,337</u> |
| | <u>2,500,350</u> | <u>3,035,141</u> |
| Deferred tax | <u>1,909,407</u> | <u>(99,795)</u> |
| Income tax expense recognized in profit or loss | <u>\$ 4,409,757</u> | <u>\$ 2,935,346</u> |

A reconciliation of accounting profit and current income tax expenses is as follows:

| | For the Year Ended December 31 | |
|--|---------------------------------------|----------------------|
| | 2014 | 2013 |
| Profit before tax from continuing operations | <u>\$ 21,598,059</u> | <u>\$ 23,877,315</u> |
| | | (Continued) |

| | For the Year Ended December 31 | |
|---|---------------------------------------|------------------------------------|
| | 2014 | 2013 |
| Income tax expense at the 17% statutory rate | \$ 3,671,670 | \$ 4,059,144 |
| Tax effect of adjusting items | (1,486,826) | (1,614,372) |
| Additional income tax under the Alternative Minimum Tax Act | - | 9,972 |
| Additional income tax on unappropriated earnings | 4,565 | 6,673 |
| Adjustment for prior year's tax | (53,861) | 17,337 |
| Effect of different tax rate of group entities operating in other jurisdictions | <u>364,802</u> | <u>556,387</u> |
| Current income tax expense | 2,500,350 | 3,035,141 |
| Deferred income tax expense | <u>1,909,407</u> | <u>(99,795)</u> |
| Income tax expense recognized in profit or loss | <u>\$ 4,409,757</u> | <u>\$ 2,935,346</u> (Concluded) |

b. Income tax recognized in other comprehensive income

| | For the Year Ended December 31 | |
|---|---------------------------------------|--------------------|
| | 2014 | 2013 |
| <u>Deferred tax</u> | | |
| Current year | | |
| Actuarial gains on defined benefit plan | \$ 53,973 | \$ (20,574) |
| Revaluation of interest | <u>-</u> | <u>(1,263)</u> |
| Income tax recognized in other comprehensive income | <u>\$ 53,973</u> | <u>\$ (21,837)</u> |

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2014

| | Opening Balance | Recognized in Profit or Loss | Recognized in Other Compre- hensive Income | Closing Balance |
|---------------------------------|----------------------------|---|---|------------------------------------|
| <u>Deferred tax assets</u> | | | | |
| Investment credits | \$ 384 | \$ (384) | \$ - | \$ - |
| Allowance for doubtful accounts | 292,007 | 81,670 | - | 373,677 |
| Inventory write-off | 70,237 | 41,053 | - | 111,290 |
| Loss carryforwards | 1,222,526 | (210,655) | - | 1,011,871 |
| Defined benefit obligation | 304,698 | (66,307) | 53,973 | 292,364 |
| Impairment loss | 234,220 | 23,292 | - | 257,512 |
| Others | <u>688,500</u> | <u>2,443</u> | <u>-</u> | <u>690,943</u> |
| | <u>\$ 2,812,572</u> | <u>\$ (128,888)</u> | <u>\$ 53,973</u> | <u>\$ 2,737,657</u> (Continued) |

| | Opening Balance | Recognized in Profit or Loss | Recognized in Other Compre- hensive Income | Closing Balance |
|--|----------------------------|---|---|-------------------------------------|
| <u>Deferred tax liabilities</u> | | | | |
| Share of profit of associates | \$ 693,770 | \$ (52,334) | \$ - | \$ 641,436 |
| Amortization of goodwill | 1,075,762 | 134,470 | - | 1,210,232 |
| Provision of land value incremental tax | 11,129,817 | 1,462,965 | - | 12,592,782 |
| Investment properties | 406,300 | 115,406 | - | 521,706 |
| Others | <u>24,279</u> | <u>120,012</u> | <u>-</u> | <u>144,291</u> |
| | <u>\$ 13,329,928</u> | <u>\$ 1,780,519</u> | <u>\$ -</u> | <u>\$ 15,110,447</u> (Concluded) |

For the year ended December 31, 2013

| | Opening Balance | Recognized in Profit or Loss | Recognized in Other Compre- hensive Income | Closing Balance |
|--|----------------------------|---|---|----------------------------|
| <u>Deferred tax assets</u> | | | | |
| Investment credits | \$ 13,817 | \$ (13,433) | \$ - | \$ 384 |
| Allowance for doubtful accounts | 91,745 | 200,262 | - | 292,007 |
| Inventory write-off | 31,257 | 38,980 | - | 70,237 |
| Loss carryforwards | 887,534 | 334,992 | - | 1,222,526 |
| Defined benefit obligation | 235,770 | 89,502 | (20,574) | 304,698 |
| Impairment loss | 437,836 | (203,616) | - | 234,220 |
| Others | <u>136,370</u> | <u>552,130</u> | <u>-</u> | <u>688,500</u> |
| | <u>\$ 1,834,329</u> | <u>\$ 998,817</u> | <u>\$ (20,574)</u> | <u>\$ 2,812,572</u> |
| <u>Deferred tax liabilities</u> | | | | |
| Share of profit of associates | \$ 661,547 | \$ 32,223 | \$ - | \$ 693,770 |
| Amortization of goodwill | 941,292 | 134,470 | - | 1,075,762 |
| Provision of land value incremental tax | 10,452,275 | 677,167 | 375 | 11,129,817 |
| Investment properties | 370,714 | 34,698 | 888 | 406,300 |
| Others | <u>3,815</u> | <u>20,464</u> | <u>-</u> | <u>24,279</u> |
| | <u>\$ 12,429,643</u> | <u>\$ 899,022</u> | <u>\$ 1,263</u> | <u>\$ 13,329,928</u> |

d. Items for which no deferred tax assets have been recognized

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|--|------------------------------|------------------------------|------------------------|
| Loss carryforwards | <u>\$ 16,567,175</u> | <u>\$ 16,304,551</u> | <u>\$ 16,483,725</u> |
| Expiry year | 2016-2024 | 2014-2023 | 2013-2022 |
| Investment credits | | | |
| Purchase of machinery and equipment | \$ - | \$ 330 | \$ 823 |
| Research and development | - | - | 28,617 |
| Personnel training expenditures | - | - | 1,156 |
| Initial share option | 22,695 | 31,107 | 61,211 |
| Purchase of operating equipment and technology | <u>-</u> | <u>-</u> | <u>99</u> |
| | <u>\$ 22,695</u> | <u>\$ 31,437</u> | <u>\$ 91,906</u> |
| Deductible temporary differences | <u>\$ 8,295,553</u> | <u>\$ 6,725,832</u> | <u>\$ 10,331,694</u> |

e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2014 comprised:

| Unused Amount | Expiry Year |
|----------------------|--------------------|
| <u>\$ 21,407,790</u> | 2016-2024 |

f. Information about unused investment credits, unused loss carry-forward and tax-exemption

As of December 31, 2014, investment tax credits comprised of:

Yuan Tong

| Laws and Statutes | Tax Credit Source | Remaining Creditable Amount | Expiry Year |
|--|--------------------------|--|------------------------|
| Enforcement rule of act for promotion of private participation in infrastructure project | Initial share option | <u>\$ 22,695</u> | 2015 |

g. Integrated income tax

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|--|------------------------------|------------------------------|------------------------|
| Unappropriated earnings | | | |
| Generated before January 1, 1998 | <u>\$ -</u> | <u>\$ 191,505</u> | <u>\$ 191,505</u> |
| Balance of imputation credits accounts (ICA) | <u>\$ 922,151</u> | <u>\$ 549,339</u> | <u>\$ 259,904</u> |

For the Year Ended December 31

| | 2014 (Expected) | 2013 (Actual) |
|--|----------------------------------|--------------------------------|
| Creditable ratio for distribution of earning | 5.36% | 13.90% |

h. Income tax assessments

| | Latest Year of Income Tax Return That Tax Authorities Had Examined and Cleared |
|---|---|
| Far Eastern New Century Corporation | 2008 |
| Far Eastern Resources Development Co. | 2008 |
| Far Eastern Fibertech Co., Ltd. | 2011 |
| Oriental Petrochemical (Taiwan) Co., Ltd. | 2012 |
| Yuan Tong Investment Co., Ltd. | 2011 |
| Ding Ding Integrated Marketing Service Co., Ltd. | 2012 |
| Ding Ding Hotel Co., Ltd. | 2012 |
| Fu Kwok Garment Manufacturing Co., Ltd. | 2012 |
| Far Eastern Apparel Co., Ltd. | 2012 |
| Yuan Cheng Human Resources Consultant Corp. | 2012 |
| Yuan Ding Investment Co., Ltd. | 2011 |
| Oriental Resources Development Ltd. | 2012 |
| Yuan Faun Co., Ltd. | 2012 |
| Kai Yuan International Investment Co., Ltd. | 2012 |
| Ding Yuan International Investment Co., Ltd. | 2012 |
| An Ho Garment Co., Ltd. | 2012 |
| Far Eastern Electronic Toll Collection Co., Ltd. | 2012 |
| Far Eastern Textile Co., Ltd. | 2012 |
| Far Eastern Construction Co., Ltd. | 2012 |
| Far Eastern General Contractor Inc. | 2012 |
| Yuan Ding Co., Ltd. | 2012 |
| FET Consulting Engineers Co., Ltd. | 2012 |
| Far Eastern Technical Consultants Co., Ltd. | 2012 |
| Far Eastern Electronic Commerce Co., Ltd. | 2012 |
| YDT Technology International Co., Ltd. | 2012 |
| Far EasTone Telecommunications Co., Ltd. | 2012 |
| New Century InfoComm Tech Co., Ltd. | 2012 |
| Arcoa Communication Co., Ltd. | 2011 |
| Simple InfoComm Co., Ltd. | 2012 |
| Q-Ware Communication Corp. | 2012 |
| Information Security Service Digital United Co., Ltd. | 2012 |
| Linkwell Tech. Co., Ltd. | 2012 |
| Data Express Infotech Co., Ltd. | 2012 |
| Yuan Cing Co., Ltd. | 2012 |
| O-music Co., Ltd. | 2012 |
| New Diligent Co., Ltd. | 2012 |
| KGEx.com Co., Ltd. | 2012 |
| Jing Yuan Technology Co., Ltd. | 2012 |
| Home Master Technology Co., Ltd. | 2012 |

Far EasTone

Income tax returns through 2012, except for 2009, of Far EasTone had been assessed by the tax authorities. However, Far EasTone disagreed with the tax authorities' assessment of its 2010 and 2012 returns and applied for a reexamination. Nevertheless, Far EasTone accrued the related tax.

KG Telecom (merged with Far EasTone on January 1, 2010)

Income tax returns through 2010 (except for 2009) of KG Telecom (dissolved due to the merger with Far EasTone on January 1, 2010) had been assessed by the tax authorities. However, Far EasTone disagreed with the tax authorities' assessment of its 2004 returns and thus filed appeals for the reexamination of these returns. Nevertheless, Far EasTone accrued the related tax.

NCIC

NCIC disagreed with the tax authorities' assessment of its 2009 return and thus applied for reexamination. Nevertheless, NCIC accrued the related tax.

OPTC

The tax authorities completed the review of and cleared the 2003 income tax return of Oriental Petrochemicals (Taiwan) Co., Ltd. (OPTC) in February 2006. In addition, the assessment of the 2002 tax return showed that OPTC should pay an extra NT\$6,556 thousand. OPTC disagreed with the tax authorities' assessment and thus filed an appeal for reexamination. As of December 31, 2014, the Supreme Administrative Court (SAC) had ruled in favor of OPTC.

On OPTC's 2004 tax return, the tax authorities assessed in March 2007 that OPTC should increase its tax payable by NT\$268,485 thousand and decrease its investment tax credits by NT\$3,076 thousand. OPTC disagreed with the tax authorities' assessment and filed for reexamination. As of December 31, 2014, the SAC had ruled that OPTC should increase its tax payable to include an incurred interest of NT\$12,663 thousand; OPTC accrued the related tax expense.

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Year ended December 31, 2014

| | KGEx.com | Far EasTone | FEEC | Far Eastern New Century Information Technology (Beijing) Limited | Hiir |
|--|-----------------|------------------------|-------------------|---|-----------------|
| Cash consideration received (paid) | \$ (127) | \$ (91,266) | \$ (192,101) | \$ (118,264) | \$ 20,000 |
| The proportionate share of the carrying amount of the net assets of the subsidiary transferred (to) from non-controlling interests | <u>125</u> | <u>29,686</u> | <u>187,428</u> | <u>115,569</u> | <u>(19,045)</u> |
| Difference arising from equity transaction | <u>\$ (2)</u> | <u>\$ (61,580)</u> | <u>\$ (4,673)</u> | <u>\$ (2,695)</u> | <u>\$ 955</u> |

(Continued)

| | KGEx.com | Far EasTone | FEEC | Far Eastern New Century Information Technology (Beijing) Limited | Hiiir |
|--|-----------------|------------------------|-------------------|---|----------------------------|
| <u>Line items adjusted for equity transaction</u> | | | | | |
| Capital surplus - difference between acquisition price and carrying amount from equity transaction | \$ <u>(2)</u> | \$ <u>(61,580)</u> | \$ <u>(1,040)</u> | \$ <u>(2,695)</u> | \$ <u>955</u> |
| Unappropriated earnings | \$ <u>-</u> | \$ <u>-</u> | \$ <u>(3,633)</u> | \$ <u>-</u> | \$ <u>-</u> (Concluded) |

Year ended December 31, 2013

| | Hiiir | PET Far Eastern (Holding) Ltd. | ARCOA | Yuan Hsin Digital Payment Co., Ltd. | Sino Belgium (Holding) Ltd. |
|--|-------------------|---|-----------------|--|--|
| Cash consideration received (paid) | \$ (457,260) | \$ - | \$ (10,767) | \$ (780,120) | \$ (317,650) |
| The proportionate share of the carrying amount of the net assets of the subsidiary transferred (to) from non-controlling interests | <u>456,198</u> | <u>(35)</u> | <u>10,475</u> | <u>780,685</u> | <u>294,948</u> |
| Difference arising from equity transaction | \$ <u>(1,062)</u> | \$ <u>(35)</u> | \$ <u>(292)</u> | \$ <u>565</u> | \$ <u>(22,702)</u> |
| <u>Line items adjusted for equity transaction</u> | | | | | |
| Capital surplus - difference between acquisition price and carrying amount from equity transaction | \$ <u>(1,062)</u> | \$ <u>-</u> | \$ <u>(292)</u> | \$ <u>565</u> | \$ <u>-</u> |
| Unappropriated earnings | \$ <u>-</u> | \$ <u>(35)</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>(22,702)</u> |

31. BUSINESS COMBINATIONS

a. Subsidiaries acquired

| | Principal Activity | Date of Acquisition | Equity Interests with Voting Rights/ Acquisition Percentage (%) | Consideration Transferred |
|-------|---|----------------------------|--|----------------------------------|
| Hiiir | Electronic information providing services | August 29, 2013 | 76.00% | <u>\$ 45,600</u> |

The Group acquired Hiiir to expedite the development of multimedia services, mobile advertising and mobile commerce business.

b. Considerations transferred

| | Hiiir |
|------|------------------|
| Cash | <u>\$ 45,600</u> |

c. Assets acquired and liabilities assumed at the date of acquisition

| | Hiiir |
|-------------------------|------------------|
| Current assets | \$ 35,474 |
| Non-current assets | 46,851 |
| Current liabilities | (15,385) |
| Non-current liabilities | <u>(9,711)</u> |
| | <u>\$ 57,229</u> |

d. Non-controlling interests

The non-controlling interest of Hiiir recognized amounted to NT\$14,400 thousand and was measured at the fair value of the related agreements price at the acquisition date.

e. Goodwill recognized from acquisition

| | Hiiir |
|--|-----------------|
| Consideration transferred | \$ 45,600 |
| Add: Non-controlling interests | 14,400 |
| Less: Fair value of identifiable net assets acquired | <u>(57,229)</u> |
| Goodwill recognized from acquisition | <u>\$ 2,771</u> |

The goodwill recognized from the acquisition of Hiiir is the value given to the business of Hiiir premium. The consideration paid for the combination included amounts in relation to the expected benefits from the combination synergies, future market development and the assembled workforce of Hiiir. These benefits are not recognized separately because they do not meet the recognition criteria of identifiable intangible assets.

f. Net cash outflow on the acquisition of a subsidiary

| | Year Ended December 31, 2014 |
|--|---|
| Consideration paid in cash | \$ 45,600 |
| Less: Cash and cash equivalent balances acquired | <u>(2,842)</u> |
| | <u>\$ 42,758</u> |

g. Impact of acquisition on the results of the Group

The following operating results of the acquire since the acquisition date were included in the consolidated statements of comprehensive income:

| | August 29, 2013 to December 31, 2014 |
|---------|---|
| Revenue | |
| Hiiir | <u>\$ 54,648</u> |
| Profit | |
| Hiiir | <u>\$ (19,436)</u> |

Had these business combinations been in effect at the beginning of the annual reporting period, the Group's revenue from Hiiirs would have been NT\$107,370 thousand, and the profit would have been NT\$(18,318) thousand for the year ended December 31, 2013. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2013, nor is it intended to be a projection of future results.

32. OPERATING LEASE ARRANGEMENTS

a. The Group as lessee

Operating leases were main related to leases of building, cell sites and office space.

The future minimum lease payments for non-cancellable operating lease commitments were as follows:

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|--------------------------------|------------------------------|------------------------------|------------------------|
| Up to 1 year | \$ 3,493,052 | \$ 3,371,104 | \$ 3,078,392 |
| More than 1 year up to 5 years | 6,181,599 | 6,139,956 | 5,834,516 |
| Later than 5 years | <u>1,326,541</u> | <u>1,376,178</u> | <u>1,509,708</u> |
| | <u>\$ 11,001,192</u> | <u>\$ 10,887,238</u> | <u>\$ 10,422,616</u> |

b. The Group as lessor

The operating lease were main related to lease of investment properties owned by the Group. The future minimum lease payments for noncancellable operating lease commitments were as follows:

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|--------------------------------|----------------------|----------------------|---------------------|
| Up to 1 year | \$ 797,771 | \$ 747,321 | \$ 901,868 |
| More than 1 year up to 5 years | 2,544,406 | 2,308,572 | 3,217,483 |
| Later than 5 years | <u>1,912,682</u> | <u>1,956,304</u> | <u>2,412,306</u> |
| | <u>\$ 5,254,859</u> | <u>\$ 5,012,197</u> | <u>\$ 6,531,657</u> |

33. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stockholders through the optimization of the debt and equity balance.

34. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments not carried at fair value

Except as detailed in the following table, the Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

| | December 31, 2014 | | December 31, 2013 | | January 1, 2013 | |
|--|--------------------|------------|--------------------|------------|--------------------|------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| <u>Financial assets</u> | | | | | | |
| Held-to-maturity investments | \$ - | \$ - | \$ 99,962 | \$ 100,757 | \$ 199,871 | \$ 202,116 |
| <u>Financial liabilities</u> | | | | | | |
| Financial liabilities measured at amortized cost | | | | | | |
| Bonds payable | 74,053,607 | 74,247,159 | 73,384,614 | 74,584,577 | 44,705,700 | 45,021,374 |

2) Fair value measurements recognized in the balance sheets

The following table provides an analysis of financial instruments that are measured after initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b) Level 2 fair value measurements are those derived from inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2014

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------------------|-------------------|-------------------|---------------------|
| Financial assets at fair value through profit or loss (FVTPL) | | | | |
| Open-end mutual funds - beneficial certificates | \$ 630,567 | \$ - | \$ - | \$ 630,567 |
| Marketable equity securities | 374,567 | - | - | 374,567 |
| Cotton futures contracts | - | - | 41,450 | 41,450 |
| PTA futures contracts | - | - | 12,451 | 12,451 |
| Combined exchange options | - | - | 40,085 | 40,085 |
| Forward exchange contracts | - | - | 24,996 | 24,996 |
| | <u>\$ 1,005,134</u> | <u>\$ -</u> | <u>\$ 118,982</u> | <u>\$ 1,124,116</u> |
| Available-for-sale financial assets | | | | |
| Marketable equity securities | \$ 4,620,397 | \$ - | \$ - | \$ 4,620,397 |
| Mutual funds - beneficial certificates | 111,100 | 701,421 | - | 812,521 |
| Oversea equity securities | 214,801 | - | - | 214,801 |
| | <u>\$ 4,946,298</u> | <u>\$ 701,421</u> | <u>\$ -</u> | <u>\$ 5,647,719</u> |
| Financial liabilities at FVTPL | | | | |
| Combined option | \$ - | \$ - | \$ 807 | \$ 807 |
| Hedging derivative financial assets | | | | |
| Cross currency interest rate swap | \$ - | \$ - | \$ 3,150 | \$ 3,150 |
| Forward exchange contracts | - | - | 11,800 | 11,800 |
| Interest rate swaps | - | - | 535,837 | 535,837 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 550,787</u> | <u>\$ 550,787</u> |

December 31, 2013

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------------------|----------------|------------------|---------------------|
| Financial assets at fair value through profit or loss (FVTPL) | | | | |
| Open-end mutual funds - beneficial certificates | \$ 565,240 | \$ - | \$ - | \$ 565,240 |
| Marketable equity securities | 562,623 | - | - | 562,623 |
| Cotton futures contracts | - | - | 26,010 | 26,010 |
| Combined exchange options | - | - | 5,335 | 5,335 |
| Forward exchange contracts | - | - | 32,480 | 32,480 |
| | <u>\$ 1,127,863</u> | <u>\$ -</u> | <u>\$ 63,825</u> | <u>\$ 1,191,688</u> |

(Continued)

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------------------|-------------------|-------------------|----------------------------------|
| Hedging derivative financial assets | | | | |
| Cross currency interest rate swap | \$ - | \$ - | \$ 115 | \$ 115 |
| Forward exchange contracts | <u>-</u> | <u>-</u> | <u>4,327</u> | <u>4,327</u> |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,442</u> | <u>\$ 4,442</u> |
| Available-for-sale financial assets | | | | |
| Marketable equity securities | \$ 5,257,255 | \$ - | \$ - | \$ 5,257,255 |
| Mutual funds - beneficial certificates | 168,172 | 636,138 | - | 804,310 |
| Oversea equity securities | <u>185,003</u> | <u>-</u> | <u>-</u> | <u>185,003</u> |
| | <u>\$ 5,610,430</u> | <u>\$ 636,138</u> | <u>\$ -</u> | <u>\$ 6,246,568</u> |
| Financial liabilities at FVTPL | | | | |
| Forward exchange contracts | \$ - | \$ - | \$ 318 | \$ 318 |
| Option | <u>-</u> | <u>-</u> | <u>272</u> | <u>272</u> |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 590</u> | <u>\$ 590</u> |
| Hedging derivative financial liabilities | | | | |
| Interest rate swaps | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 421,280</u> | <u>\$ 421,280</u> (Concluded) |

January 1, 2013

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------------------|-------------|------------------|---------------------------------|
| Financial assets at FVTPL | | | | |
| Open-end mutual funds - beneficial certificates | \$ 642,699 | \$ - | \$ - | \$ 642,699 |
| Marketable equity securities | 387,107 | - | - | 387,107 |
| Cotton futures contracts | - | - | 25,345 | 25,345 |
| Forward exchange contracts | <u>-</u> | <u>-</u> | <u>3,368</u> | <u>3,368</u> |
| | <u>\$ 1,029,806</u> | <u>\$ -</u> | <u>\$ 28,713</u> | <u>\$ 1,058,519</u> |
| Hedging derivative financial assets | | | | |
| Cross currency interest rate swap | \$ - | \$ - | \$ 4,650 | \$ 4,650 |
| Forward exchange contracts | <u>-</u> | <u>-</u> | <u>17,312</u> | <u>17,312</u> |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 21,962</u> | <u>\$ 21,962</u> (Continued) |

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------------------|---------------------|-------------------|----------------------------------|
| Available-for-sale financial assets | | | | |
| Marketable equity securities | \$ 4,680,058 | \$ - | \$ - | \$ 4,680,058 |
| Mutual funds - beneficial certificates | <u>204,336</u> | <u>1,877,246</u> | <u>-</u> | <u>2,081,582</u> |
| | <u>\$ 4,884,394</u> | <u>\$ 1,877,246</u> | <u>\$ -</u> | <u>\$ 6,761,640</u> |
| Financial liabilities at FVTPL | | | | |
| Forward exchange contracts | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 619</u> | <u>\$ 619</u> |
| Hedging derivative financial liabilities | | | | |
| Interest rate swaps | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 287,522</u> | <u>\$ 287,522</u> (Concluded) |

There were no transfers between Levels 1 and 2 for the years ended December 31, 2014 and 2013.

3) Reconciliation of Level 3 fair value measurements of financial assets

December 31, 2014

| | Financial Assets at Fair Value Through Profit or Loss - Held for Trading | Hedging Derivative Financial Instruments | Total |
|-------------------------------|---|---|---------------------|
| Balance at January 1, 2014 | \$ 63,235 | \$ (416,838) | \$ (353,603) |
| Total gains or losses | | | |
| In profit or loss | 54,940 | 45,757 | 100,687 |
| In other comprehensive income | <u>-</u> | <u>(179,696)</u> | <u>(179,696)</u> |
| Balance at December 31, 2014 | <u>\$ 118,175</u> | <u>\$ (550,787)</u> | <u>\$ (432,612)</u> |

December 31, 2013

| | Financial Assets at Fair Value Through Profit or Loss - Held for Trading | Hedging Derivative Financial Instruments | Total |
|-------------------------------|---|---|---------------------|
| Balance at January 1, 2013 | \$ 28,094 | \$ (265,560) | \$ (237,466) |
| Total gains or losses | | | |
| In profit or loss | 35,141 | 154,388 | 189,529 |
| In other comprehensive income | <u>-</u> | <u>(305,666)</u> | <u>(305,666)</u> |
| Balance at December 31, 2013 | <u>\$ 63,235</u> | <u>\$ (416,838)</u> | <u>\$ (353,603)</u> |

4) Valuation techniques and assumptions applied to measure fair value

The fair values of financial assets and financial liabilities are determined as follows:

- a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined by referring to quoted market prices. If these prices are not available, valuation techniques are applied. The estimates and assumptions used by the Group are consistent with those that market participants use in setting prices for financial instruments.
- b) The fair values of derivative instruments are calculated using quoted prices. If these prices are not available, a discounted cash flow analysis is made using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. The estimates and assumptions used by the Group are consistent with those that market participants use in setting prices for financial instruments.
- c) The fair values of other financial assets and financial liabilities (i.e., excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

b. Categories of financial instruments

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|--|------------------------------|------------------------------|------------------------|
| <u>Financial assets</u> | | | |
| FVTPL | | | |
| Held for trading | \$ 1,124,116 | \$ 1,191,688 | \$ 1,058,519 |
| Derivative instruments in designated hedge | | | |
| accounting relationships | - | 4,442 | 21,962 |
| Held-to-maturity investments | - | 99,962 | 199,871 |
| Loans and receivables (Note 1) | 68,954,539 | 68,541,445 | 76,839,623 |
| Available-for-sale financial assets (Note 2) | 6,718,871 | 7,216,063 | 7,892,064 |
| <u>Financial liabilities</u> | | | |
| FVTPL | | | |
| Held for trading | 807 | 590 | 619 |
| Derivative instruments in designated hedge | | | |
| accounting relationships | 550,787 | 421,280 | 287,522 |
| Amortized cost (Note 3) | 204,645,872 | 186,676,718 | 146,845,468 |

Note:

- 1) The balances included the financial assets carried at cost that held for trading.
- 2) The balances included loans and receivables measured at amortized cost, which comprised cash and cash equivalents, bond investments with no active market, notes and accounts receivable (including those from related parties), other receivables (including those from related parties), other financial assets, and refundable deposits. Those reclassified to held-for-sale disposal groups are also included.
- 3) The balances included the carrying amounts of available-for-sale financial assets and financial assets carried at cost.

- 4) The balances included financial liabilities measured at amortized cost, which comprised short-term borrowings, short-term bills payable, notes and accounts payables and other payables (including those to related parties), payables to suppliers of machinery and equipment, provisions, bonds payable, long-term borrowings and guarantee deposits.

c. Financial risk management objectives and policies

The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the nonoperating activities of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity.

The Corporate Treasury function is reviewed by the Group's board of directors in accordance with related rules and internal control system. The Group should implement the overall financial management objective as well as observe the levels of delegated authority and ensure that those with delegated authority carry out their duties.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in exchange rates (see (1) below) and interest rates (see (2) below).

a) Foreign currency risk

Several subsidiaries of the Group had foreign currency sales and purchases, which exposed the Group to exchange rate risk. Exchange rate exposures were managed within approved policy parameters through forward exchange contracts.

The carrying amounts of the Group's significant foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period were as Note 39.

Sensitivity analysis

The Group was mainly exposed to U.S. dollars.

The following table details the Group's sensitivity to a 5% increase and decrease in New Taiwan dollars (the functional currency) against the U.S. dollar. The 5% sensitivity rate is used when foreign currency risk is reported internally to key management personnel and represents management's assessment of the reasonably possible changes in exchange rates. The sensitivity analysis included only outstanding foreign currency-denominated monetary items, and the translation of these items at the end of the reporting period was adjusted for a 5% change in exchange rates. A positive number below indicates an increase in pretax profit and other equity associated with New Taiwan dollars that strengthen 5% against the relevant currency. For a 5% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pretax profit and other equity, and the balances below would be negative.

| | December 31 | |
|------------------------------------|--------------------|-------------------|
| | 2014 | 2013 |
| 5% change in profit or loss USD | <u>\$ 57,969</u> | <u>\$ 835,367</u> |

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. It managed the risk by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|-------------------------------|------------------------------|------------------------------|------------------------|
| Fair value interest rate risk | | | |
| Financial assets | \$ 19,741,105 | \$ 22,046,132 | \$ 32,987,925 |
| Financial liabilities | 129,025,561 | 124,393,787 | 84,461,421 |
| Cash flow interest rate risk | | | |
| Financial assets | 12,333,670 | 13,049,902 | 10,003,456 |
| Financial liabilities | 42,650,591 | 27,306,222 | 25,869,843 |

Sensitivity analysis

The sensitivity analysis below was determined on the basis of the Group's exposure to interest rates for financial assets and financial liabilities at the end of the reporting period. An increase or decrease of 25 basis points is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. For the financial assets and financial liabilities with fixed interest rate, their fair value will change as the market interest rates change. For the financial assets and financial liabilities with floating interest rate, their effective interest rates will change as the market interest rates change.

For the years ended December 31, 2014 and 2013, had interest rates been 25 basis points higher/lower and all other variables had been held constant, the fair value of the Group's financial assets with fixed interest rate would have decreased/increased by NT\$49,230 thousand and NT\$54,978 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased by NT\$30,834 thousand and NT\$32,625 thousand, respectively.

For the years ended December 31, 2014 and 2013, had interest rates been 25 basis points higher/lower and all other variables had been held constant, the fair value of the Group's financial liabilities with fixed interest rate would have decreased by NT\$321,760 thousand and NT\$310,209 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have increased by NT\$106,626 thousand and NT\$68,266 thousand, respectively.

c) Other price risks

The group was exposed to equity price risk because of its investments in domestic quoted stocks and mutual funds.

Sensitivity analysis

The following sensitivity analysis was based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% lower, the fair value of held-for-trading and available-for-sale financial assets as of December 31, 2014 and 2013 would have decreased by NT\$332,643 thousand and NT\$368,722 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counter-parties will default on its contractual obligations, resulting in a financial loss to the Group. As of the end of a reporting period, the Group's maximum exposure to credit risk that will cause the Group a financial loss due to (a) the counter-parties' failure to discharge their obligations and (b) financial guarantees provided by the Group could arise from:

- a) The carrying amounts of the recognized financial assets as stated in the balance sheets; and
- b) The amounts of contingent liabilities in relation to financial guarantees issued by the Group.

The Group has a policy of dealing with only creditworthy counter-parties and obtaining sufficient collateral, where appropriate, to mitigate the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continually monitored.

Trade receivables refer to a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is made to determine the financial condition of trade receivables.

3) Liquidity risk

The Group manages liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the use of bank borrowings and ensures compliance with loan covenants.

The maturity dates of financial liabilities (except financial liabilities - current, i.e., with maturities of less than one year) are as follows:

| | 1-2 Years | 2-3 Years | Over 3 Years | Total |
|--------------------------|----------------------|----------------------|----------------------|-----------------------|
| <u>December 31, 2014</u> | | | | |
| Long-term borrowings | \$ 32,253,523 | \$ 16,784,033 | \$ 14,961,654 | \$ 63,999,210 |
| Bonds payable | <u>20,944,000</u> | <u>16,450,000</u> | <u>23,400,000</u> | <u>60,794,000</u> |
| | <u>\$ 53,197,523</u> | <u>\$ 33,234,033</u> | <u>\$ 38,361,654</u> | <u>\$ 124,793,210</u> |

(Continued)

| | 1-2 Years | 2-3 Years | Over 3 Years | Total |
|--------------------------|----------------------|----------------------|----------------------|-----------------------|
| <u>December 31, 2013</u> | | | | |
| Long-term borrowings | \$ 28,150,800 | \$ 2,520,000 | \$ 12,951,904 | \$ 43,622,704 |
| Bonds payable | <u>13,350,000</u> | <u>20,949,000</u> | <u>31,450,000</u> | <u>65,749,000</u> |
| | <u>\$ 41,500,800</u> | <u>\$ 23,469,000</u> | <u>\$ 44,401,904</u> | <u>\$ 109,371,704</u> |
| <u>January 1, 2013</u> | | | | |
| Long-term borrowings | \$ - | \$ 18,024,306 | \$ 14,207,706 | \$ 32,232,012 |
| Bonds payable | <u>8,750,000</u> | <u>13,350,000</u> | <u>19,700,000</u> | <u>41,800,000</u> |
| | <u>\$ 8,750,000</u> | <u>\$ 31,374,306</u> | <u>\$ 33,907,706</u> | <u>\$ 74,032,012</u> |

(Concluded)

35. RELATED-PARTY TRANSACTIONS

The Group had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the years ended December 31, 2014 and 2013 and the related balances as of the balance sheet dates are summarized in the accompanying Schedules B and C.

36. ASSETS PLEDGED OR MORTGAGED

In addition to those disclosed in the other notes, the following assets had been pledged or mortgaged as collaterals for short-term borrowings, short-term bills payable, tariff duties, and long-term borrowings; as construction warranties; as guarantees for related parties; and as administrative tax remedies for meeting requirements for certain projects.

| | December 31, 2014 | December 31, 2013 | January 1, 2013 |
|---|----------------------|----------------------|----------------------|
| Inventories - available for construction - land | \$ 693,157 | \$ 693,157 | \$ 612,631 |
| Inventories - construction-in-progress | 2,376,270 | 222,126 | 214,578 |
| Other financial assets - current | 1,815,650 | 2,232,156 | 1,257,052 |
| Available-for-sale financial assets - current and non-current | 157,500 | 186,750 | - |
| Investment accounted for using the equity method | 3,509,089 | 3,573,900 | 1,577,400 |
| Property, plant and equipment, net | 12,689,384 | 11,073,636 | 12,826,557 |
| Investment properties | 37,648,280 | 32,976,576 | 31,950,405 |
| Intangible assets | 1,936,000 | 841,000 | - |
| Other financial assets - non-current | <u>2,995,948</u> | <u>4,043,275</u> | <u>4,924,952</u> |
| | <u>\$ 63,821,278</u> | <u>\$ 55,842,576</u> | <u>\$ 53,363,575</u> |

As of December 31, 2014, December 31, 2013 and January 1, 2013, FENC and some of its subsidiaries had provided 123,794 thousand shares, 132,262 thousand shares and 145,972 thousand shares, respectively, of the common shares of Far EastTone Telecommunications Co., Ltd. and 16,500 thousand common shares of Yuan Ding, as collaterals for short-term borrowings, short-term bills payable and long-term borrowings.

37. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Significant commitments and contingencies of the Group as of December 31, 2014:

- a. Issued but unused letters of credit aggregated approximately NT\$1,487,898 thousand.
- b. Of (a) unpaid building construction and equipment installation contracts amounting to approximately NT\$10,733,219 thousand, and (b) properties and cellular phone equipment acquired for NT\$7,329,288 thousand and NT\$11,191,863 thousand, respectively, NT\$1,949,036 thousand and NT\$5,537,368 thousand, respectively, had been paid.
- c. There were undelivered cotton contracts amounting to NT\$546,898 thousand and have been recognized NT\$8,340 thousand on purchasing contract payable (recognized under provision) as of December 31, 2014.
- d. Project contracts already signed by Far Eastern General Contractor Inc. (FEGC) amounted to NT\$32,042,279 thousand.
- e. Eastern Electronic Toll Collection Co., Ltd. (FETC) was entrusted by the Taiwan Area National Freeway Bureau (TANFB) to collect electronic tolls on freeways and had signed a third-party benefit trust contract with Far Eastern International Bank Co., Ltd. (FEIB) to manage the tolls collected. The trust property for this agreement had amounted to NT\$3,550,224 thousand.
- f. Endorsements and guarantees provided to the related parties are shown in Schedule E (attached).
- g. On December 29, 2005, the board of directors of Tai Ya International Telecommunications Co., Ltd. (TYIT) resolved to merge TYIT with Mobitai Communications Ltd. ("Mobitai") in accordance with Article 19 of the Business Mergers and Acquisitions Act and set January 1, 2006 as the record date of the merger. TYIT was the survivor company after the merger. Under a resolution of TYIT's board, FENC received NT\$167,863 thousand from Mobitai in exchange for Mobitai's 11,469 thousand common shares (NT\$14.68 per share) held by the Company. For its disposal of its investment in Mobitai, the Company recognized a gain of NT\$31,814 thousand. However, the Company regarded Mobitai's purchase price as too low and raised an objection to Mobitai. Afterwards, the Company filed a lawsuit against TYIT. As of March 19, 2014, the lawsuit was pending before the Taipei District Court. As of November 14, 2014, the lawsuit was given against FENC.
- h. Ming-Chiung Chang filed an incidental civil suit, in connection with the criminal case of forgery, against Ming-chung Kuo (an FENC employee) and Hua-de Lin, Hung-Long Li and Yung-gi Lai (the fiduciaries of Pacific Liu Tung Investment Co. or PLT, an equity-method investee of the Company). Chang claimed that Kuo and Hua-de Lin, Hung-Long Li and Yung-gi Lai colluded and used their positions to carry out transactions that resulted in his losses and asked the Taiwan High Court to declare that the ownership of PLT held by FEDS, FEDS's subsidiaries, the Company and its subsidiaries was just a fabrication, i.e., it never existed. In October 2009, Chang lost the suit and then appealed to a higher court. The Supreme Court did not adjudicate this case and remanded the case to the Taiwan High Court for reexamination and as of March 19, 2015, the lawsuit was pending before the Taipei High Court.
- i. The registered capital of PLT, an investee of the Company, was originally NT\$4,010,000 thousand, representing 401,000 thousand shares at a par value of NT\$10.00. On February 3, 2010, following a letter from the Taiwan High Prosecutors Office (THPO), the Department of Commerce (DOC) decided to nullify PLT's registrations of the amendments of its Articles of Incorporation, the PLT registrations of the elected and appointed members of its Board of Directors and Supervisors as well as registrations of several tranches of capital increases given to PLT on November 13, 2002; May 1, 2003; August 8, 2005; August 3, 2006; June 6, 2007; and July 16, 2008. As a result, the capital amount of PLT reverted to the original NT\$10,000 thousand, representing 1,000 thousand common shares.

On February 24, 2010, FEDS filed an administrative appeal with the DOC for the withdrawal of the administrative disposition and requested the stay of execution of registration cancellation. On April 14, 2010, referencing Article 77-3 of the Administrative Appeal Act, PAC decided that the appeal had no merit because FEDS was not a party to whom an administrative disposition was issued nor was it an interested party at stake. Thus, on June 15, 2010, referencing Article 4-1 of the Administrative Procedure Law, FEDS filed a suit against the DOC with the Taipei High Administrative Court (THAC). On November 29, 2012, the THAC (Court Reference Number: Year 2010 Letter Su No. 1258 verdict) ruled in favor of FEDS, and the capital increase registrations referencing letter Shang No. 09901000210 nullified by DOC was invalidated and the subsequent rejection of an administrative review was revoked. However, the DOC did not conform to the THAC's decision and filed a lawsuit with the Supreme Administrative Court on December 25, 2012. As of May 9, 2013, the Supreme Administrative Court issued its final and non-appealable decision, which rejected DOC's appeal and ruled that the nullification by DOC of capital increase registrations and other relevant registrations in DOC's referencing letter Shang No. 09901000210 was invalid and ordered DOC to reinstate the registration. Thus, DOC reinstated the nullified capital increase registrations and relevant registrations in conformity with the Court's decision as of September 18, 2013. Further, as of June 18, 2014, PLT reelected the directors and supervisors and DOC approved the amendment registrations on July 15, 2014.

Heng-lung Lee and Ming-Chiung Chang filed a lawsuit to counter the Supreme Administrative Court's (SAC) decision, declaring that the application of improper regulations invalidated this decision. However, on September 6, 2013, the Taipei High Administrative Court rejected this lawsuit (Court Reference Number: Year 2013 Letter Pan No. 569 verdict). In addition, Ming-Chiung Chang filed a separate lawsuit to counter the same SAC decision, claiming that the verdict was invalidated by the omission of evidences that may affect the final SAC decision. The lawsuit was filed with the THAC. However, THAC rejected this lawsuit (Court Reference Number: Year 2013 Letter Zai No. 94 verdict). Ming-Chiung Chan did not agree with the THAC's decision and filed a lawsuit with the Supreme Administrative Court on February 19, 2014. On June 20, 2014, Supreme Administrative Court rejected this lawsuit (Court Reference Number: Year 2013 Letter Zai No. 845 verdict).

The percentage ownership of PLT held by the Group reached 39.68%. Thus, the investment was accounted for by the equity method.

- j. A subsidiary of FENC, Far Eastern General Contractor Inc. (FEGC), contracted the Southern Taiwan Science Park (STSP) to do underground cable construction. During the construction period, material costs rose because of adverse economic factors and the rising prices of stainless steel and cable materials. Although the contract amount had been adjusted for price inflation, FEGC still incurred a great loss and got no indemnification. Thus, FEGC filed a lawsuit for indemnification with the Supreme Court. As of March 19, 2015, the result of the lawsuit was still being awaited.

In 2008, FEGC recognized a construction loss of NT\$119,949 thousand on its "underground cable construction" project.

- k. An FENC subsidiary, FEGC, together with Pan Asia Corporation (Pan Asia) and Iwata Chizaki Construction Corporation, Taipei Branch (Iwata) entered into a contract to undertake the "Area CR3 of the Kaohsiung Rapid Transit-Red line" (KRT) project. FEGC claimed that, under Article 20.2 of the contract, KRT should pay NT\$312,844 thousand subject to the price adjustment clause and extra costs such as management fee of NT\$164,857 thousand resulting from several problems that were not attributable to FEGC and delayed the project. Since KRT did not make the foregoing payments, FEGC, Pan Asia and Iwata have applied for mediation to the Kaohsiung District Court. During the mediation process, both parties mutually agreed to suspend temporarily the mediation proceedings. As of March 19, 2014, the result of the arbitration was been made that KRT needs to pay FEGC NT\$51,727 thousand and FEGC recognized this construction gain on its "Area CR3 of KRT" project.

- l. For a construction Taiwan Power Company (TPC) had subcontracted to FEGC, FEGC had to pay a certain fine of NT\$23,000 thousand for a bid deposit call. This fine was based on the Government Procurement Act and TPC's construction contract. TPC thus requested the Administrative Enforcement Agency to enforce the penalty concerned. Thus, FEGC had to pay NT\$23,000 thousand to the court, and this amount was accounted under other financial assets - current. FEGC further pursued this case and filed a civil lawsuit with the Taipei High Administrative Court (THAC). As of March 19, 2015, THAC ruled in favor of TPC, and FEGC thus recognized the loss of NT\$23,000 thousand on this lawsuit under other expenses.
- m. An FENC subsidiary, FEGC, entered into a contract with the Taiwan Area National Expressway Engineering Bureau (TANEEB) to be part of the construction of the "Taichung Living Circle Route 2 East Section, Taichung Living Circle Route 4 North Section and C709A Dali and Wufeng Access Road." During the construction, the contracts with additional items that entailed extra costs were renegotiated six times. The contract amount which TANEEB agreed with was NT\$126,524 thousand lower than what FENC suggested. FEGC applied for conciliation with the TANEEB, but the conciliation failed since FEGC and TANEEB could not reach any compromises. After receiving the certification of conciliation failure, FEGC filed a lawsuit for appealing NT\$126,524 thousand with the Tainan District Court. The appealing amount has been changed to NT\$93,641 thousand in the proceeding. As of March 19, 2015, both parties reached an agreement that TANEEB had to pay NT\$47,855 thousand more to FEGC. Thus, FEGC adjusted the recognized total revenue on the construction contract on the "C709A Taichung" project for this increase.
- n. A company subsidiary, FECC, and Far Eastern Department Store Co., Ltd. (FEDS) had jointly developed Ban Ciao Zhong Ben (Construction License Number: Year 2010 Letter Chang No. 00135) in line with the Directions for the Urban Land Development Application (the "Directions"). Under the Directions, for the joint developers to be entitled to larger floor area and have a building occupancy permit, they should complete the construction within four years after passing an urban design review. If this deadline is unmet the joint developers should either donate the building or remit a certain amount to the New Taipei City Government (NTCG). Later, the NTCG claimed the construction was not completed on time, but the joint developers disagreed with the NTCG's claim. Thus, a dispute on this issue arose. FECC had placed in the Far Eastern International Bank a negotiable certificate of deposit amounting to NT\$108,855 thousand as a pledge based on the NTCG's requirement.
- o. On August 1, 2014, the Taiwan Area National Freeway Bureau (TANFB) claimed that the Far Eastern Electronic Toll Collection Co., Ltd. (FETC) violated the "Establishment and Operating Contract" by failing to provide all former freeway toll collectors with new jobs within an agreed-upon period and was thus liable for a penalty amounting to NT\$4,500 thousand. However, FETC disagreed with the TANFB's interpretation of the contract and filed for arbitration with the Negotiation Committee on August 14 2014. In the arbitration, the committee members did not all agree that FETC was liable for a penalty amounting to NT\$4,500 thousand; however, TANFB, regardless of the result of arbitration, deducted NT\$4,500 thousand from the handling service revenue payable to FETC. Thus, FETC filed a civil lawsuit with the Taipei District Court (TDC) to reclaim the NT\$4,500 thousand and plus interests until the repayment date. TANFB then filed a counter-lawsuit, asserting it had the right to claim the penalty amount. As of March 19, 2015, the date of the accompanying auditors' report, the lawsuit was pending before the TDC, and the final outcome of this case could not be reasonably estimated.

- p. A Company subsidiary, Far Eastern Electronic Toll Collection Co., Ltd. (FETC), has cooperated with government authorities to establish an electronic toll collection system based on the “Establishment and Operating Contract” with Taiwan Area National Freeway Bureau (TANFB). However, on the basis of the system usage rate and the manner of system implementation, TANFB claimed it had the right to penalize FETC for the latter’s failing to achieve the requirements for the electronic toll collection (ETC) system stated in the contract. However, FETC disagreed with the bureau’s interpretation of the contract terms and filed for arbitration with the Negotiation Committee. The contract terms were as follow:

1) Usage rate

TANFB claimed that FETC had failed to reach the 45% designated ETC usage rate in the third year stated in the contract, thus violating the terms of the contract. To act on TANFB’s complaint, FETC proposed an improvement plan, which TANFB accepted, and set six inspection points to be used in determining if FETC’s improvement plan was effective. FETC successfully met the inspection requirements, as shown by TANFB’s confirmation of the plan results. Thus, FETC believed that its successful implementation of its improvement plan should be considered by TANFB as the FETC’s added investment in the ETC plan as well as the equivalent of FETC’s paying a penalty for not meeting the ETC usage rate requirement. Thus, FETC claimed TANFB should not impose a penalty on FETC anymore.

TANFB commented that FETC failed to reach the 70% designated usage rate of ETC in the sixth year of the contract and thus violated the contract, for which FETC was liable for a penalty amounting to NT\$427,500 thousand. Nevertheless, TANFB and ETC have reached a consensus to consider the implementation of the above improvement plan as making up for FETC’s not meeting the 70% usage rate requirement; there was no reason for TANFB to penalize FETC. In addition, FETC exceeded the 65% usage rate stated in the “Establishment and Operating Contract” for the taximeter phase, and the operation of the taximeter system infrastructure (TSI) was also on track. Thus, there was actually no physical evidence of FETC’s violating the contract. FETC also claimed that it should not be blamed for TSI-related problems because it believed the government was slow in informing the public of the TSI charges. For these reasons, FETC said TANFB should not accuse FETC of breach of contract. To settle this matter, FETC applied for a conciliation with TANFB through the Negotiation Committee. The Negotiation Committee suggested TANFB decrease its penalty on FETC because (a) FETC could enter into the taximeter phase since the 65% ETC usage rate had been reached even though this rate was lower than the 70% usage rate stated in the contract; (b) the impact of usage rate to the interest of highway users was markedly diminished (c) the amounts FETC invested in the improvement plan were more than the penalty TANFB claimed. FETC, however, could not accept the negotiation result. In September 2013, FETC filed a lawsuit against TANFB, claiming it was not liable for the penalty imposed by TANFB. As of March 19, 2015, this case was pending before the Tainan District Court and FETC has prepared the possible loss which was likely to be imposed.

2) Taxi meter system infrastructure (TMSI)

TANFB stated FETC breached the contract when FETC was unable to complete the ETC driveway infrastructure by September 21, 2012 as required in the contract. But after FETC negotiated with TANFB through the Negotiation Committee, both the FETC and TANFB agreed to extend the construction period by four months until January 21, 2013. Thus, TANFB should reset the contract expiry date to January 1, 2013 and verify the construction result on that date. However, TANFB still set September 21, 2012 as the contract expiry and obligated FETC to complete the ETC driveway infrastructure and taximeter system infrastructure by April 21, 2013. After FETC’s conciliation with TANFB through the Negotiation Committee in July 2013, the Negotiation Committee suggested that TANFB recheck the construction results and determine if after four months after the original contract expiry date of September 21, 2012, FETC violated the contract. Nevertheless, TANFB did not agree with the Negotiation Committee’s decision and filed a lawsuit against FETC and imposed a penalty of NT\$142,500 thousand on FETC. As of December 31,

2014, FETC had completed the ETC highway infrastructure as TMSI required in the contract and accrued a penalty loss because the penalty was likely to be imposed.

38. SUBSEQUENT EVENTS

- a. As of February 2, 2015, an FENC subsidiary, Far Eastern Resources Development Co. (FERD), exchanged its 12 land lots located in Banqiao Ya Tong section (Land No. 998-17) and having a total land area of 3,978 square meters with (a) 7 land lots located in Banqiao Xin Ya section (Land No. 1,045) and having a total land area of 2,473 square meter and (b) 5 land lots located in Banqiao Ya Tong section (Land No. 1,011) and having a total land area of 1,505 square meters, which are both owned by the Oriental Institute of Technology (OIT). In addition, FERD paid an extra NT\$777,170 thousand to OIT for this exchange. The Group recognized a gain of NT\$167,986 thousand from this transaction.
- b. As of February 6, 2015, the Company issued the five-year unsecured bonds (third tranche) amounting to NT\$2,600,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.38% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.
- c. On March 4, 2015, an FENC subsidiary, FERD, sold its land lot located in Banqiao Ya Dong section (Land No. 1,006) and having a total land area of 5,592 squaremeters to Far Eastern Y.Z. Hsu Memorial Foundation for a total selling price of NT\$1,878,322 thousand; the Group recognized a gain of NT\$815,643 thousand from this transaction.
- d. The board of directors of the Company decided to issue unsecured bonds on March 19, 2015. The bonds, with a term of less than 10 years, will have an aggregate face value not more than NT\$8,000,000 thousand (or their equivalent value in other currency) and a par value of NT\$1,000 thousand.

39. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated foreign currencies were as follows:

December 31, 2014

| | Foreign Currencies | Exchange Rate | Carrying Amount (NT\$) |
|------------------------------|-------------------------------|----------------------|-----------------------------------|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 962,844 | 31.65 | \$ 30,474,013 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 999,475 | 31.65 | 31,633,384 |

December 31, 2013

| | Foreign Currencies | Exchange Rate | Carrying Amount (NT\$) |
|------------------------------|-------------------------------|----------------------|-----------------------------------|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 845,264 | 29.79 | \$ 25,180,415 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 1,406,101 | 29.79 | 41,887,748 |

January 1, 2013

| | Foreign Currencies | Exchange Rate | Carrying Amount (NT\$) |
|------------------------------|-------------------------------|----------------------|-----------------------------------|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 856,812 | 29.035 | \$ 24,877,536 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 1,336,231 | 29.035 | 38,797,467 |

40. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

- 1) Financing provided: Schedule D (attached)
- 2) Endorsement/guarantee provided: Schedule E (attached)
- 3) Marketable securities and investments in share of stock held: Schedule F (attached)
- 4) Securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the capital stock: Schedule G (attached)
- 5) Acquisition of individual real states at costs of at least NT\$300 million or 20% of the capital stock:
None
- 6) Disposal of individual real states at prices of at least NT\$300 million or 20% of the capital stock:
None
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the capital stock: Schedule H (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the capital stock:
Schedule I (attached)

- 9) Derivative financial transactions: Notes 7 and 11
- 10) Significant transactions between Far EastOne and its subsidiaries and among subsidiaries: Schedule J
- 11) Names, locations, and related information of investees on which Far EastOne exercises significant influence: Schedule K
- b. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Schedule L and L-1 (attached)
 - 2) Significant direct or indirect transactions with the investee company, prices, payment terms, and unrealized gain or loss: Schedules L (attached)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

41. SEGMENT INFORMATION

a. Industry information

The information provided to the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance focuses on types of goods delivered or services provided. Thus, under IFRS 8 "Operating Segments," the Group defined its operating segments as follows: petrochemical business, chemical fiber business, textile business, mobile services business, real estate business, investment and other business.

Segment operating income is the profit generated by each operating segment, which excludes expenses allocated in group headquarter, remuneration for directors, share of the profit or loss of associates, interest revenue, gain or loss on disposal of property, plant and equipment, investment properties and intangible assets, exchange gain or loss, interest expense and income tax expense. It is the measure reported to the chief operating decision maker to allocate resources to the segments and assess their performance. However, information on segment assets is not regularly provided to the chief operating decision maker.

The analysis of the Group's revenues and operating results by operating segment is as follows:

| | Segment Revenue | | Segment Profit | |
|--|------------------------|-----------------------|------------------------|----------------------|
| | Year Ended December 31 | | Year Ended December 31 | |
| | 2014 | 2013 | 2014 | 2013 |
| Petrochemical business | | | \$ (3,079,551) | \$ (2,109,640) |
| Revenues generated from external customers | \$ 22,765,358 | \$ 27,673,365 | | |
| Intersegment revenues | <u>17,617,123</u> | <u>23,280,664</u> | | |
| | <u>40,382,481</u> | <u>50,954,029</u> | | |
| Chemical fiber business | | | 1,001,924 | 173,912 |
| Revenues generated from external customers | 70,702,994 | 75,645,402 | | |
| Intersegment revenues | <u>897,797</u> | <u>1,466,621</u> | | |
| | <u>71,600,791</u> | <u>77,112,023</u> | | |
| Textile business | | | 697,417 | 322,342 |
| Revenues generated from external customers | 35,634,097 | 34,147,637 | | |
| Intersegment revenues | <u>196,014</u> | <u>144,816</u> | | |
| | <u>35,830,111</u> | <u>34,292,453</u> | | |
| Mobile services business | | | 15,053,753 | 15,478,698 |
| Revenues generated from external customers | 93,936,218 | 89,082,979 | | |
| Intersegment revenues | <u>239,382</u> | <u>587,600</u> | | |
| | <u>94,175,600</u> | <u>89,670,579</u> | | |
| Real estate development | | | 30,717 | 238,320 |
| Revenues generated from external customers | 8,971,222 | 7,544,800 | | |
| Intersegment revenues | <u>697,846</u> | <u>525,009</u> | | |
| | <u>9,669,068</u> | <u>8,069,809</u> | | |
| Investment and other | | | 3,303,885 | 4,518,557 |
| Revenues generated from external customers | 8,316,073 | 9,959,376 | | |
| Intersegment revenues | <u>198,032</u> | <u>349,552</u> | | |
| | <u>8,514,105</u> | <u>10,309,528</u> | | |
| Adjustment and elimination | <u>(19,684,067)</u> | <u>(26,363,420)</u> | <u>(153,430)</u> | <u>13,966</u> |
| Total | <u>\$ 240,488,089</u> | <u>\$ 244,045,001</u> | <u>16,854,715</u> | <u>18,636,155</u> |
| Interest revenue | | | 482,434 | 448,607 |
| Exchange gain (loss) | | | 632,174 | 310,965 |
| Interest expense | | | (1,934,871) | (1,432,622) |
| Other revenue and income (other expenses and losses) | | | <u>5,563,607</u> | <u>5,914,210</u> |
| Profit before tax | | | <u>\$ 21,598,059</u> | <u>\$ 23,877,315</u> |

Note: As of December 31, 2014 and 2013, the main differences between the total reportable segment revenue and consolidated operating revenue and those between the total reportable segment profit and consolidated operating income were due to the share of the associates' profits of NT\$4,293,787 thousand and NT\$4,984,423 thousand, respectively, and dividend income from associates, which amounted to NT\$687,663 thousand and NT\$219,921 thousand, respectively.

b. Geographical information

The Group operates in three principal geographical areas - Taiwan, China and oversea.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

| | Revenue from External Customers | | Non-current Assets | | |
|---------|--|-----------------------|---------------------------|-----------------------|-----------------------|
| | For the Year Ended December 31 | | December 31, | December 31, | January 1, |
| | 2014 | 2013 | 2014 | 2013 | 2013 |
| Taiwan | \$ 174,737,410 | \$ 176,637,598 | \$ 279,682,978 | \$ 262,936,946 | \$ 218,126,264 |
| China | 39,092,913 | 43,395,453 | 41,130,706 | 40,723,465 | 31,311,994 |
| Oversea | <u>21,676,316</u> | <u>18,807,606</u> | <u>3,412,754</u> | <u>2,161,983</u> | <u>1,610,207</u> |
| | <u>\$ 235,506,639</u> | <u>\$ 238,840,657</u> | <u>\$ 324,226,438</u> | <u>\$ 305,822,394</u> | <u>\$ 251,048,465</u> |

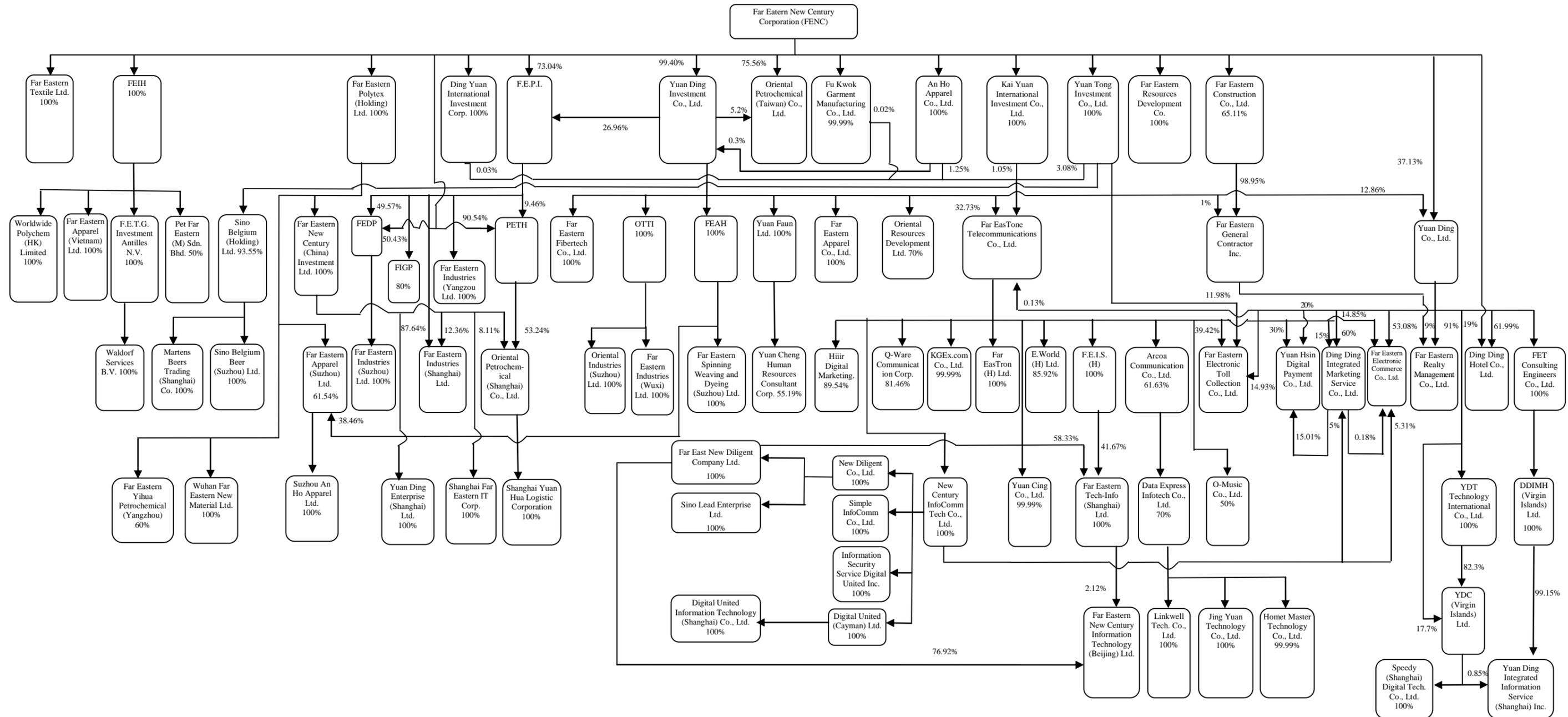
Non-current assets exclude non-current assets classified as held for sale, and exclude non-current assets, financial instruments, investments accounted for using the equity method, deferred tax assets, post-employment benefit assets, and guarantee deposits.

c. Information about major customers

No other single customers contributed 10% or more to the Group's revenue for both 2014 and 2013.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
DECEMBER 31, 2014



FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED RELATED-PARTY TRANSACTIONS

(In Thousands of New Taiwan Dollars)

| | For the Years Ended December 31 | | | |
|---|--|----------|---------------------|----------|
| | 2014 | | 2013 | |
| | Amount | % | Amount | % |
| Sales | | | | |
| Investors that have significant influence over the | | | | |
| Group | \$ 1,636,914 | 1 | \$ 2,607,128 | 1 |
| Others | <u>1,169,632</u> | <u>-</u> | <u>1,289,584</u> | <u>1</u> |
| | <u>\$ 2,806,546</u> | <u>1</u> | <u>\$ 3,896,712</u> | <u>2</u> |
| Operating cost | \$ 1,323,694 | 1 | \$ 220,717 | - |
| Investors that have significant influence over the | | | | |
| Group | <u>1,279,515</u> | <u>1</u> | <u>1,280,691</u> | <u>1</u> |
| Others | | | | |
| | <u>\$ 2,603,209</u> | <u>2</u> | <u>\$ 1,501,408</u> | <u>1</u> |
| Operating expense | | | | |
| Investors that have significant influence over the | | | | |
| Group | \$ 66,779 | - | \$ 59,934 | - |
| Others | <u>361,464</u> | <u>1</u> | <u>355,316</u> | <u>1</u> |
| | <u>\$ 428,243</u> | <u>1</u> | <u>\$ 415,250</u> | <u>1</u> |
| Rental revenue | | | | |
| Investors that have significant influence over the | | | | |
| Group | \$ 242,586 | - | \$ 232,470 | - |
| Others | <u>339,221</u> | <u>-</u> | <u>309,729</u> | <u>-</u> |
| | <u>\$ 581,807</u> | <u>-</u> | <u>\$ 542,199</u> | <u>-</u> |
| Rental expense (recognized as operating cost and expense) | | | | |
| Investors that have significant influence over the | | | | |
| Group | \$ 117,437 | - | \$ 111,324 | - |
| Others | <u>192,218</u> | <u>-</u> | <u>181,266</u> | <u>-</u> |
| | <u>\$ 309,655</u> | <u>-</u> | <u>\$ 292,590</u> | <u>-</u> |

(Continued)

Note:

- a. The terms of sales to and purchases from the related parties were based on agreements.
- b. The Group had donated NT\$16,391 thousand to Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation as of December 31, 2014 and NT\$1,050 thousand to Far Eastern Memorial Foundation as of December 31, 2013. An FENC subsidiary, Far Eastone Telecommunications Co., Ltd., had donated NT\$6,000 thousand to the Telecommunication and Transportation Foundation (TTF) for telecommunications technology studies as of December 31, 2014.
- c. As of December 31, 2014, the Group purchased the software, office equipment and contract of construction from other related parties amounting to NT\$188,111 thousand. As of December 31, 2013, The Group purchased the software, transportation equipment, land use right and contract of construction from other related parties amounting to NT\$1,479,920 thousand.
- d. As of December 31, 2014, the Group had sold office equipment to associates and other related parties amounting to NT\$342 thousand and NT\$23 thousand. As of December 31, 2013, the Group had sold machinery and equipment to associates and other related parties amounting to NT\$300 thousand and NT\$2,748 thousand, and the gain on disposal of equipment amounting to NT\$300 thousand and NT\$198 thousand.
- e. The Group subscribed 17,500 new common shares issued by Air Liquide Far Eastern Ltd.'s amounted to NT\$174,997 thousand in September 2013.
- f. The fund transactions between the Group and Opas Fund Segregated Portfolio Company ("Opas Company") involved the acquisition and disposal of the Opas Fund Segregated Portfolio Tranches B, C, D and E through the trading platform of Opas Company. The decisions on these overseas mutual funds with different tranches were made by the investment committee formed by the Group and other investors. As of December 31, 2014 and 2013, the Group acquired Opas Fund Segregated Portfolio Tranches for NT\$653,928 thousand, and disposed of funds with a carrying amount of NT\$1,817,135 thousand. For 2014 and 2013, the disposal proceeds were NT\$2,017,732 thousand, and the gains on fund disposal were NT\$200,597 thousand.
- g. To expedite the development of multimedia services, mobile advertising and mobile commerce business, the Group acquired 2,786 thousand shares of Hiiir amounting to NT\$54,000 thousand from other related parties in 2013.
- h. To expand the Group's future business, the Group subscribed for the shares of Alliance Digital Technology Co., Ltd. shares for NT\$30,000 thousand in 2013 and acquired 19.23% ownership.
- i. The rental expense incurred for rental agreements on factories in Hukou and Hsinchu, office and equipment rooms in Tainan, base stations and departments around Taiwan. The term of the rental agreements was from January 2009 to December 2028. The revenue from renting out some of the floors of the Taipei Metro Tower building, buildings located in the Chen-Chung Section in Taipei City and building located in the Hsin-ban Section in New Taipei City; the related lease term was from January 2010 to December 2026. Rent is received or paid quarterly or monthly, and the amount of rent was based on market conditions in nearby locations.

(Continued)

j. Compensation of key management personnel:

| | For the Year Ended December 31 | |
|---------------------------------|---------------------------------------|-------------------|
| | 2014 | 2013 |
| Short-term employee benefits | \$ 453,086 | \$ 432,418 |
| Post-employment benefits (Note) | <u>(3,167)</u> | <u>(1,368)</u> |
| | <u>\$ 449,919</u> | <u>\$ 431,050</u> |

Note: The post-employment benefit were gain for the years ended December 31, 2014 and 2013 based on the actuarial result applied by IAS 19 “Employee Benefits”.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED RELATED-PARTY TRANSACTIONS
(In Thousands of New Taiwan Dollars)

| | December 31, 2014 | | December 31, 2013 | | January 1, 2013 | |
|--|---------------------|------------|---------------------|------------|---------------------|------------|
| | Carrying Amount | % | Carrying Amount | % | Carrying Amount | % |
| Notes and accounts receivable from affiliates | | | | | | |
| Investors that have significant influence over the Group | \$ 372,985 | 1 | \$ 355,986 | 1 | \$ 381,097 | 1 |
| Others | <u>585,496</u> | <u>2</u> | <u>500,768</u> | <u>2</u> | <u>350,329</u> | <u>1</u> |
| | <u>\$ 958,481</u> | <u>3</u> | <u>\$ 856,754</u> | <u>3</u> | <u>\$ 731,426</u> | <u>2</u> |
| Other receivable from affiliates | | | | | | |
| Investors that have significant influence over the Group | \$ 57,527 | 5 | \$ 42,450 | 3 | \$ 67,181 | 5 |
| Others | <u>268,238</u> | <u>21</u> | <u>295,384</u> | <u>24</u> | <u>239,023</u> | <u>19</u> |
| | <u>\$ 325,765</u> | <u>26</u> | <u>\$ 337,834</u> | <u>27</u> | <u>\$ 306,204</u> | <u>24</u> |
| Notes and accounts payable from affiliates | | | | | | |
| Investors that have significant influence over the Group | \$ 109,211 | 21 | \$ 34,554 | 13 | \$ 22,702 | 8 |
| Others | <u>404,414</u> | <u>79</u> | <u>227,017</u> | <u>87</u> | <u>269,581</u> | <u>92</u> |
| | <u>\$ 513,625</u> | <u>100</u> | <u>\$ 261,571</u> | <u>100</u> | <u>\$ 292,283</u> | <u>100</u> |
| Other payable from affiliates | | | | | | |
| Investors that have significant influence over the Group | \$ 13,873 | 19 | \$ 12,361 | 16 | \$ 14,764 | 34 |
| Others | <u>59,416</u> | <u>81</u> | <u>63,616</u> | <u>84</u> | <u>28,355</u> | <u>66</u> |
| | <u>\$ 73,289</u> | <u>100</u> | <u>\$ 75,977</u> | <u>100</u> | <u>\$ 43,119</u> | <u>100</u> |
| Billing on construction-in-progress | | | | | | |
| Investors that have significant influence over the Group | \$ 3,311,893 | 25 | \$ 3,055,966 | 19 | \$ 2,202,643 | 10 |
| Others | <u>698,986</u> | <u>5</u> | <u>512,719</u> | <u>3</u> | <u>728,229</u> | <u>3</u> |
| | <u>\$ 4,010,879</u> | <u>30</u> | <u>\$ 3,568,685</u> | <u>22</u> | <u>\$ 2,930,872</u> | <u>13</u> |
| Guarantee deposits received | | | | | | |
| Investors that have significant influence over the Group | \$ 10,915 | 1 | \$ 10,914 | 2 | \$ 11,026 | 1 |
| Others | <u>173,467</u> | <u>17</u> | <u>166,844</u> | <u>17</u> | <u>163,203</u> | <u>14</u> |
| | <u>\$ 184,382</u> | <u>18</u> | <u>\$ 177,758</u> | <u>19</u> | <u>\$ 174,229</u> | <u>15</u> |
| Deferred credit - gains on inter - affiliates accounts | \$ 140,507 | 94 | \$ 141,063 | 94 | \$ 141,616 | 94 |
| Investors that have significant influence over the Group | <u>9,122</u> | <u>6</u> | <u>9,122</u> | <u>6</u> | <u>9,122</u> | <u>6</u> |
| Others | <u>\$ 149,629</u> | <u>100</u> | <u>\$ 150,185</u> | <u>100</u> | <u>\$ 150,738</u> | <u>100</u> |

(Continued)

Financing to affiliates

| | <u>December 31, 2014</u> | | <u>December 31, 2013</u> | | <u>January 1, 2013</u> | |
|---|--------------------------|-----------|--------------------------|-----------|------------------------|-----------|
| | <u>Carrying</u> | | <u>Carrying</u> | | <u>Carrying</u> | |
| | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| Loans to related parties | | | | | | |
| Investors that have significant influence over the Group | <u>\$ 940,000</u> | <u>74</u> | <u>\$ 921,000</u> | <u>73</u> | <u>\$ 977,640</u> | <u>76</u> |
| Loans from related parties | | | | | | |
| Others | <u>\$ 3,989,830</u> | <u>14</u> | <u>\$ 3,480,995</u> | <u>12</u> | <u>\$ 598,224</u> | <u>2</u> |

Note: The terms of sales to and purchases from the related parties were based on agreements.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
 FOR THE YEAR ENDED DECEMBER 31, 2014
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower | Aggregate Financing Limits | Note |
|-----|--|--|-----------------------------|-----------------|--|-----------------------------------|-------------------------|---------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-------|-----------------------------------|----------------------------|--|
| | | | | | | | | | | | | | Item | Value | | | |
| 0 | Far Eastern New Century Corporation | Far Eastern Polychem Industries Ltd. | Receivables from affiliates | Yes | \$ 2,037,080 | \$ 1,886,175 | \$ 1,886,175 | 1.6021-3.35 | 2 | \$ - | For revolving fund | \$ - | Promissory note | \$ - | \$ 9,975,021 | \$ 99,750,215 | Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E). |
| | | PET Far Eastern (Holding) Ltd. | Receivables from affiliates | Yes | 1,986,075 | 1,986,075 | 1,986,075 | 3.35 | 2 | - | For revolving fund | - | Promissory note | - | 9,975,021 | 99,750,215 | Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E). |
| 1 | Far EasTone Telecommunications Co., Ltd. | Q-Ware Communication Co., Ltd. | Receivables from affiliates | Yes | 250,000 | - | - | 1.63-1.64 | 2 | - | For revolving fund | - | - | - | 7,272,673 | 36,363,366 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E). |
| 2 | Yuan Ding Investment Co., Ltd. | Far Eastern Apparel Co., Ltd. | Receivables from affiliates | Yes | 50,000 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 4,169,192 | 20,845,961 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E). |
| | | Yue Ding Industry Co., Ltd. | Receivables from affiliates | Yes | 200,000 | 200,000 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 4,169,192 | 20,845,961 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E). |
| | | Ding Yuan International Investment Co., Ltd. | Receivables from affiliates | Yes | 200,000 | 200,000 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 4,169,192 | 20,845,961 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E). |
| | | Oriental Resources Development Ltd. | Receivables from affiliates | Yes | 300,000 | 300,000 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 4,169,192 | 20,845,961 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E). |
| | | Far Eastern Resources Development Co. | Receivables from affiliates | Yes | 500,000 | 500,000 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 4,169,192 | 20,845,961 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E). |
| | | Oriental Petrochemical (Taiwan) Co., Ltd. | Receivables from affiliates | Yes | 750,000 | 750,000 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 4,169,192 | 20,845,961 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E). |
| | | Yuan Tong Investment Co., Ltd. | Receivables from affiliates | Yes | 800,000 | 800,000 | 394,000 | 1.75-1.86 | 2 | - | For revolving fund | - | Promissory note | - | 4,169,192 | 20,845,961 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E). |
| | | An Ho Garment Co., Ltd. | Receivables from affiliates | Yes | 400,000 | 400,000 | 400,000 | 1.75-1.86 | 2 | - | For revolving fund | - | Promissory note | - | 4,169,192 | 20,845,961 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E). |
| | | Da Ju Fiber Co., Ltd. | Receivables from affiliates | Yes | 545,000 | 545,000 | 545,000 | 1.75-1.86 | 2 | - | For revolving fund | - | Promissory note | - | 4,169,192 | 20,845,961 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E). |
| | | Kai Yuan International Investment Co., Ltd. | Receivables from affiliates | Yes | 800,000 | 800,000 | 700,000 | 1.75-1.86 | 2 | - | For revolving fund | - | Promissory note | - | 4,169,192 | 20,845,961 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E). |

(Continued)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower | Aggregate Financing Limits | Note | |
|-----|---------------------------------------|---|----------------------------------|-----------------|--|-----------------------------------|-------------------------|---------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-----------------|-----------------------------------|----------------------------|--|--|
| | | | | | | | | | | | | | Item | Value | | | | |
| 4 | Yuan Tong Investment Co., Ltd. | Far Eastern Resources Development Co. | Receivables from affiliates | Yes | \$ 500,000 | \$ 500,000 | \$ - | 1.45 | 2 | \$ - | For revolving fund | \$ - | Promissory note | \$ - | \$ 827,043 | \$ 4,135,216 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E). | |
| | | Da Ju Fiber Co., Ltd. | Receivables from affiliates | Yes | 155,000 | 155,000 | 155,000 | 1.15-1.54 | 2 | - | For revolving fund | - | Promissory note | - | 827,043 | 4,135,216 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E). | |
| 5 | Far Eastern Polychem Industries Ltd. | Far Eastern Industries (Yangzhou) Ltd. | Receivables from related parties | Yes | 4,494,300 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 5,533,100 | 9,959,580 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). | |
| | | Far Eastern Industries (Shanghai) Ltd. | Receivables from related parties | Yes | 2,088,900 | 2,088,900 | - | - | 1 | 9,308,190 | - | For revolving fund | - | Promissory note | - | 7,746,340 | 7,746,340 | Amounts allowed for ending period (Note R); maximum amounts allowed for the period (Note L). |
| | | Oriental Petrochemical (Shanghai) Corp. | Receivables from related parties | Yes | 221,550 | 221,550 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 4,426,480 | 4,426,480 | Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J). | |
| | | Sino Belgium (Suzhou) Ltd. | Receivables from related parties | Yes | 316,500 | 316,500 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 5,533,100 | 9,959,580 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). | |
| | | Far Eastern Investment (Holding) Ltd. | Receivables from related parties | Yes | 316,500 | 316,500 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 5,533,100 | 9,959,580 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). | |
| | | Far Eastern Ishizuka Green Pet | Receivables from related parties | Yes | 424,320 | 424,320 | 304,980 | 1.17857 | 2 | - | For revolving fund | - | Promissory note | - | 4,426,480 | 4,426,480 | Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J). | |
| | | Far Eastern Industries (Suzhou) Ltd. | Receivables from related parties | Yes | 1,107,750 | 1,107,750 | 810,240 | - | 2 | - | For revolving fund | - | Promissory note | - | 5,533,100 | 9,959,580 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). | |
| | | Far Eastern Industries (Shanghai) Ltd. | Receivables from related parties | Yes | 3,101,700 | 3,101,700 | 2,342,100 | - | 2 | - | For revolving fund | - | Promissory note | - | 5,533,100 | 9,959,580 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). | |
| 7 | Far Eastern Investment (Holding) Ltd. | Malaysia Garment Manufactures Pte. Ltd. | Receivables from related parties | Yes | 316,500 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 3,407,910 | 3,407,910 | Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J). | |
| | | PET Far Eastern (Holding) Ltd. | Receivables from related parties | Yes | 791,250 | 474,750 | - | 1.348 | 2 | - | For revolving fund | - | Promissory note | - | 4,529,888 | 7,667,799 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). | |
| | | Oriental Petrochemical (Shanghai) Corp. | Receivables from related parties | Yes | 791,250 | 727,950 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 3,407,910 | 3,407,910 | Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J). | |
| | | FEDP (Holding) Ltd. | Receivables from related parties | Yes | 316,500 | 158,250 | 47,475 | 1.3268 | 2 | - | For revolving fund | - | Promissory note | - | 4,529,888 | 7,667,799 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). | |
| | | Worldwide Polychem (HK) Ltd. | Receivables from related parties | Yes | 316,500 | 316,500 | 82,290 | - | 2 | - | For revolving fund | - | Promissory note | - | 4,529,888 | 7,667,799 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). | |

(Continued)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower | Aggregate Financing Limits | Note |
|-----|---|---|----------------------------------|-----------------|--|-----------------------------------|-------------------------|---------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-------|-----------------------------------|----------------------------|--|
| | | | | | | | | | | | | | Item | Value | | | |
| | | Far Eastern Apparel (Vietnam) Ltd. | Receivables from related parties | Yes | \$ 379,800 | \$ 379,800 | \$ 232,944 | - | 2 | \$ - | For revolving fund | \$ - | Promissory note | \$ - | \$ 4,529,888 | \$ 7,667,799 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| | | Sino Belgium (Holding) Ltd. | Receivables from related parties | Yes | 1,139,400 | 474,750 | 250,985 | 1.3268-1.3480 | 2 | - | For revolving fund | - | Promissory note | - | 3,407,910 | 3,407,910 | Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J). |
| | | PET Far Eastern (M) Sdn. Bhd. | Receivables from related parties | Yes | 316,500 | 316,500 | 252,523 | 1.3268-1.3480 | 2 | - | For revolving fund | - | Promissory note | - | 3,407,910 | 3,407,910 | Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J). |
| | | Far Eastern Polychem Industries Ltd. | Receivables from related parties | Yes | 316,500 | 316,500 | 316,500 | 1.3268-1.3480 | 2 | - | For revolving fund | - | Promissory note | - | 4,529,888 | 7,667,799 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| | | Far Eastern Apparel (Holding) Ltd. | Receivables from related parties | Yes | 474,750 | 474,750 | 474,750 | 1.3268-1.3480 | 2 | - | For revolving fund | - | Promissory note | - | 4,529,888 | 7,667,799 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| | | Far Eastern Polytex (Holding) Ltd. | Receivables from related parties | Yes | 2,057,250 | 1,993,950 | 1,993,950 | 1.3268-1.3480 | 2 | - | For revolving fund | - | Promissory note | - | 4,529,888 | 7,667,799 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| | | Oriental Textile (Holding) Ltd. | Receivables from related parties | Yes | 2,373,750 | 2,373,750 | 2,357,292 | 1.3268-1.3480 | 2 | - | For revolving fund | - | Promissory note | - | 4,529,888 | 7,667,799 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| 8 | PET Far Eastern (Holding) Ltd. | Tong Da Air Industry (Yangzhou) Co., Ltd. | Receivables from related parties | Yes | 1,582,500 | 1,582,500 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 2,864,156 | 2,864,156 | Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J). |
| | | Far Eastern Investment (Holding) Ltd. | Receivables from related parties | Yes | 791,250 | 791,250 | 484,245 | 1.3268-1.3480 | 2 | - | For revolving fund | - | Promissory note | - | 3,580,195 | 6,444,352 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| | | Oriental Petrochemical (Shanghai) Corp. | Receivables from related parties | Yes | 1,329,300 | 1,044,450 | 1,034,955 | - | 2 | - | For revolving fund | - | Promissory note | - | 2,864,156 | 2,864,156 | Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J). |
| 9 | Kai Yuan International Investment Co., Ltd. | Da Ju Fiber Co., Ltd. | Receivables from affiliates | Yes | 400,000 | 100,000 | - | 1.48-1.54 | 2 | - | For revolving fund | - | Promissory note | - | 518,245 | 2,591,227 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E). |
| 10 | Far Eastern Polytex (Holding) Ltd. | Far Eastern Investment (Holding) Ltd. | Receivables from related parties | Yes | 316,500 | 316,500 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 4,349,819 | 7,829,675 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| | | Wuhan Far Eastern New Material Ltd. | Receivables from related parties | Yes | 379,800 | 284,850 | 158,250 | - | 2 | - | For revolving fund | - | Promissory note | - | 4,349,819 | 7,829,675 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| | | Far Eastern New Century (China) Investment Ltd. | Receivables from related parties | Yes | 4,114,500 | 4,114,500 | 1,975,974 | - | 2 | - | For revolving fund | - | Promissory note | - | 4,349,819 | 7,829,675 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |

(Continued)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower | Aggregate Financing Limits | Note |
|-----|--|--|----------------------------------|-----------------|--|-----------------------------------|-------------------------|---------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-----------|-----------------------------------|--|--|
| | | | | | | | | | | | | | Item | Value | | | |
| 11 | Yuan Ding Company Ltd. | YDT Technology International Co., Ltd. | Receivables from affiliates | Yes | \$ 50,000 | \$ 50,000 | \$ - | - | 2 | \$ - | For revolving fund | \$ - | Promissory note | \$ - | \$ 1,644,017 | \$ 4,110,044 | Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K). |
| | | Far Eastern Technical Consultants Co., Ltd. | Receivables from affiliates | Yes | 50,000 | 50,000 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 1,644,017 | 4,110,044 | Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K). |
| | | FET Consulting Engineers Co., Ltd. | Receivables from affiliates | Yes | 50,000 | 50,000 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 1,644,017 | 4,110,044 | Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K). |
| | | Far Eastern Electronic Commerce Co., Ltd. | Receivables from affiliates | Yes | 100,000 | 100,000 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 1,644,017 | 4,110,044 | Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K). |
| | | Ding Ding Hotel Co., Ltd. | Receivables from affiliates | Yes | 300,000 | 300,000 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 1,644,017 | 4,110,044 | Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K). |
| | | Ding Ding Integrated Marketing Services Co., Ltd. | Receivables from affiliates | Yes | 100,000 | 100,000 | - | 1.2510-1.3817 | 2 | - | For revolving fund | - | Promissory note | - | 1,644,017 | 4,110,044 | Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K). |
| | | Yuan Ding Integrated Information Service (Shanghai) Inc. | Receivables from affiliates | Yes | 506,400 | 506,400 | 189,900 | 1.32-1.5 | 2 | - | For revolving fund | - | Promissory note | - | 1,644,017 | 4,110,044 | Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K). |
| 13 | Ding Yuan International Investment Co., Ltd. | Far Eastern Apparel Co., Ltd. | Receivables from affiliates | Yes | 50,000 | 50,000 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 277,726 | 1,388,630 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E). |
| | | Da Ju Fiber Co., Ltd. | Receivables from affiliates | Yes | 100,000 | 100,000 | 100,000 | 1.18-1.23 | 2 | - | For revolving fund | - | Promissory note | - | 277,726 | 1,388,630 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E). |
| | | Yue Ding Industry Co., Ltd. | Receivables from affiliates | Yes | 140,000 | 140,000 | 140,000 | 1.17-1.21 | 2 | - | For revolving fund | - | Promissory note | - | 277,726 | 1,388,630 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E). |
| 15 | FEDP (Holding) Ltd. | Far Eastern Investment (Holding) Ltd. | Receivables from related parties | Yes | 158,250 | 158,250 | - | 1.3268-1.3480 | 2 | - | For revolving fund | - | Promissory note | - | 337,993 | 608,387 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| | | Far Eastern Industries (Suzhou) Ltd. | Receivables from related parties | Yes | 601,350 | 411,450 | 411,450 | - | 2 | - | For revolving fund | - | Promissory note | - | 337,993 | 608,387 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| 20 | Oriental Textile (Holding) Ltd. | Sino Belgium (Suzhou) Ltd. | Receivables from related parties | Yes | 189,900 | 189,900 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 3,421,735 | 6,159,122 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| | | Sino Belgium (Holding) Ltd. | Receivables from related parties | Yes | 253,200 | 253,200 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 2,737,388 | 2,737,388 | Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J). |
| | | Oriental Industries (Suzhou) Ltd. | Receivables from related parties | Yes | 1,519,200 | 1,519,200 | 158,250 | - | 1 | 2,667,114 | - | Promissory note | - | 2,667,114 | 4,790,428 | Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note L). | |

(Continued)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower | Aggregate Financing Limits | Note | |
|-----|--|--|---|-----------------|--|-----------------------------------|-------------------------|-----------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-----------------|-----------------------------------|----------------------------|--|--|
| | | | | | | | | | | | | | Item | Value | | | | |
| 21 | Far Eastern Apparel (Holding) Ltd. | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Receivables from related parties | Yes | 633,000 | 633,000 | - | - | 1 | 1,114,118 | - | - | Promissory note | - | 1,114,118 | 1,759,417 | Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note L). | |
| | | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Receivables from related parties | Yes | 949,500 | 949,500 | 341,820 | - | 2 | - | For revolving fund | - | - | Promissory note | - | 1,256,726 | 2,262,107 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| | | Far Eastern Apparel (Suzhou) Ltd. | Receivables from related parties | Yes | 949,500 | 949,500 | 569,700 | - | 2 | - | For revolving fund | - | - | Promissory note | - | 1,256,726 | 2,262,107 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| 26 | FETG Investment Antilles N.V. | Waldorf Services B.V. | Receivables from related parties | Yes | 31,650 | - | - | - | 2 | - | For revolving fund | - | - | Promissory note | - | 594,708 | 1,070,475 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| 30 | Far Eastern Industries (Shanghai) Ltd. | Martens Beers Trading (Shanghai) Ltd. | Other receivables - loans to affiliates | Yes | 35,648 | - | - | - | 2 | - | For revolving fund | - | - | Promissory note | - | 4,475,284 | 8,055,511 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| | | Oriental Petrochemical (Shanghai) Corp. | Other receivables - loans to affiliates | Yes | 101,850 | 101,850 | - | - | 2 | - | For revolving fund | - | - | Promissory note | - | 895,057 | 1,342,585 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note H). |
| 31 | Far Eastern Industries (Yangzhou) Ltd. | Oriental Petrochemical (Shanghai) Corp. | Other receivables - loans to affiliates | Yes | 509,250 | 509,250 | 509,250 | 3 | 2 | - | For revolving fund | - | - | Promissory note | - | 628,311 | 628,311 | Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J). |
| 34 | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Oriental Industries (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 509,250 | 509,250 | - | 2.94076-3.36870 | 2 | - | For revolving fund | - | - | Promissory note | - | 2,055,651 | 4,568,114 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| | | Far Eastern Apparel (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 509,250 | - | - | 3.02205-3.375 | 2 | - | For revolving fund | - | - | Promissory note | - | 2,055,651 | 4,568,114 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| 36 | Waldorf Services B.V. | Chuang Yuan Co., Ltd. | Other receivables | No | 316,500 | - | - | 1.3268-1.3480 | 2 | - | For revolving fund | - | - | Promissory note | - | 9,975,021 | 29,925,064 | Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P). |
| | | Malaysia Garment Manufactures Pte. Ltd. | Receivables from related parties | Yes | 158,250 | - | - | - | 2 | - | For revolving fund | - | - | Promissory note | - | 9,975,021 | 29,925,064 | Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P). |
| | | Oriental Textile (Holding) Ltd. | Receivables from related parties | Yes | 316,500 | 316,500 | 316,500 | 1.3268 | 2 | - | For revolving fund | - | - | Promissory note | - | 9,975,021 | 29,925,064 | Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P). |

(Continued)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower | Aggregate Financing Limits | Note |
|-----|---|--|---|-----------------|--|-----------------------------------|-------------------------|-----------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-------|-----------------------------------|----------------------------|--|
| | | | | | | | | | | | | | Item | Value | | | |
| | | Far Eastern Polychem Industries Ltd. | Receivables from related parties | Yes | \$ 316,500 | \$ 316,500 | \$ 316,500 | 1.3268 | 2 | \$ - | For revolving fund | \$ - | Promissory note | \$ - | \$ 9,975,021 | \$ 29,925,064 | Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P). |
| | | Far Eastern Investment (Holding) Ltd. | Receivables from related parties | Yes | 316,500 | 316,500 | 316,500 | 1.3268-1.3480 | 2 | - | For revolving fund | - | Promissory note | - | 9,975,021 | 29,925,064 | Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P). |
| 41 | Oriental Petrochemical (Shanghai) Corp. | Wuhan Far Eastern New Material Ltd. | Other receivables - loans to affiliates | Yes | 50,925 | 50,925 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 4,031,975 | 7,257,554 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| | | Far Eastern Industries (Shanghai) Ltd. | Other receivables - loans to affiliates | Yes | 101,850 | 101,850 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 4,031,975 | 7,257,554 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| 43 | Far Eastern Industries (WuXi) Ltd. | Far Eastern Apparel (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 763,875 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 3,002,360 | 6,671,911 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| | | Sino Belgium (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 1,018,500 | - | - | 3.6 | 2 | - | For revolving fund | - | Promissory note | - | 3,002,360 | 6,671,911 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| | | Oriental Industries (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 1,527,750 | 1,527,750 | 177,275 | 3.19353-3.34148 | 2 | - | For revolving fund | - | Promissory note | - | 3,002,360 | 6,671,911 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| 44 | Oriental Industries (Suzhou) Ltd. | Far Eastern Apparel (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 1,018,500 | 509,250 | - | 2.56054-3.375 | 2 | - | For revolving fund | - | Promissory note | - | 3,782,853 | 8,406,340 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| | | Far Eastern Industries (WuXi) Ltd. | Other receivables - loans to affiliates | Yes | 1,527,750 | 1,527,750 | - | 3.57332 | 2 | - | For revolving fund | - | Promissory note | - | 3,782,853 | 8,406,340 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| | | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 509,250 | 509,250 | 38,316 | 3.57332 | 2 | - | For revolving fund | - | Promissory note | - | 3,782,853 | 8,406,340 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| | | Far Eastern Industries (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 1,018,500 | 1,018,500 | 455,779 | 3.57332 | 2 | - | For revolving fund | - | Promissory note | - | 3,782,853 | 8,406,340 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| | | Sino Belgium (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 1,018,500 | 1,018,500 | 874,392 | 3.57332 | 2 | - | For revolving fund | - | Promissory note | - | 3,782,853 | 8,406,340 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| 45 | Far Eastern Industries (Suzhou) Ltd. | Oriental Industries (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 509,250 | 509,250 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 392,189 | 871,532 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| | | Far Eastern Apparel (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 763,875 | - | - | 3.02883-3.375 | 2 | - | For revolving fund | - | Promissory note | - | 392,189 | 871,532 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| 46 | Wuhan Far Eastern New Material Ltd. | Oriental Petrochemical (Shanghai) Corp. | Other receivables - loans to affiliates | Yes | 50,925 | 50,925 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 409,769 | 409,769 | Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J). |

(Continued)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower | Aggregate Financing Limits | Note |
|-----|---|--|---|-----------------|--|-----------------------------------|-------------------------|-----------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-----------|-----------------------------------|--|--|
| | | | | | | | | | | | | | Item | Value | | | |
| 47 | Far Eastern Apparel (Suzhou) Ltd. | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | \$ 305,550 | \$ - | \$ - | 3.57332-3.78230 | 2 | \$ - | For revolving fund | \$ - | Promissory note | \$ - | \$ 1,207,633 | \$ 2,683,628 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| | | Sino Belgium (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 407,400 | - | - | 3.57332-3.78230 | 2 | - | For revolving fund | - | Promissory note | - | 1,207,633 | 2,683,628 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| | | Far Eastern Industries (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 509,250 | - | - | 3.57332-3.78230 | 2 | - | For revolving fund | - | Promissory note | - | 1,207,633 | 2,683,628 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| | | Far Eastern Industries (WuXi) Ltd. | Other receivables - loans to affiliates | Yes | 560,175 | - | - | 3.57332-3.78230 | 2 | - | For revolving fund | - | Promissory note | - | 1,207,633 | 2,683,628 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| | | Oriental Industries (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 1,018,500 | 1,018,500 | 1,006,558 | 2.94076-3.73354 | 2 | - | For revolving fund | - | Promissory note | - | 1,207,633 | 2,683,628 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| 49 | Far Eastern New Century (China) Investment Ltd. | Yuan Ding Enterprise (Shanghai) Ltd. | Other receivables - loans to affiliates | Yes | 168,053 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 1,201,956 | 2,163,521 | Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M). |
| 51 | Sino Belgium (Suzhou) Ltd. | Oriental Industries (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 50,925 | 50,925 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 132,468 | 294,374 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| | | Far Eastern Apparel (Suzhou) Ltd. | Other receivables - loans to affiliates | Yes | 152,775 | - | - | 3.02883-3.375 | 2 | - | For revolving fund | - | Promissory note | - | 132,468 | 294,374 | Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N). |
| 55 | YDT Technology International Co., Ltd. | Yuan Ding Company Ltd. | Receivables from affiliates | Yes | 150,000 | 150,000 | 150,000 | 1.2271-1.3939 | 2 | - | For revolving fund | - | Promissory note | - | 204,195 | 255,243 | Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K). |
| 57 | FET Consulting Engineers Co., Ltd. | Yuan Ding Company Ltd. | Receivables from affiliates | Yes | 220,000 | 220,000 | 220,000 | 1.2271-1.3939 | 2 | - | For revolving fund | - | Promissory note | - | 148,535 | 185,669 | Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K). |
| 64 | New Century InfoComm Tech Co., Ltd. | Q-Ware Communication Co., Ltd. | Receivables from affiliates | Yes | 250,000 | 250,000 | 241,000 | 1.64 | 2 | - | For revolving fund | - | Promissory note | - | 2,385,499 | 11,927,493 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E). |
| | | Far EasTone Telecommunications Co., Ltd. | Receivables from affiliates | Yes | 2,200,000 | 2,200,000 | 1,100,000 | 1.14 | 2 | - | For revolving fund | - | Promissory note | - | 2,385,499 | 11,927,493 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E). |
| | | Far EasTone Telecommunications Co., Ltd. | Receivables from affiliates | Yes | 3,300,000 | 3,300,000 | 3,300,000 | 1.14 | 1 | 4,174,933 | - | Promissory note | - | 4,174,933 | 11,927,493 | Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note K). | |

(Continued)

- Notes:
- A. Reasons for financing are as follows:
 - 1. Business relationship.
 - 2. For short-term financing.
 - B. The limit is equal to 5% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
 - C. The limit is equal to 10% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
 - D. The limit is equal to 15% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
 - E. The limit is equal to 50% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
 - F. The limit is equal to 5% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - G. The limit is equal to 10% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - H. The limit is equal to 15% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - I. The limit is equal to 20% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - J. The limit is equal to 20% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - K. The limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - L. The limit is equal to 70% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - M. The limit is equal to 90% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - N. The limit is equal to 200% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - O. The limit is equal to 5% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
 - P. The limit is equal to 15% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
 - Q. The limit is equal to business transaction amount.
 - R. The limit is at the lower of business transaction amount and 5% of the net value of the financier (based on audited financial statements) as of December 31, 2014.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| No. | Endorser/ Guarantor | Endorsee/Guarantee | | Limits on Each Counter-party's Endorsement/ Guarantee Amounts | Maximum Amounts Allowed for the Period | Outstanding Endorsement/ Guarantee at the End of the Period | Actual Borrowing Amount | Amount Endorsed/ Guaranteed by Collaterals | Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note M) | Aggregate Endorsement/ Guarantee Limit | Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note O) | Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note O) | Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note O) | Note |
|-----|--|--------------------------------------|--------------|---|---|--|-------------------------------|---|--|--|--|---|---|---|
| | | Name | Relationship | | | | | | | | | | | |
| 0 | Far Eastern New Century Corporation | Yuan Ding Investment Co., Ltd. | (Note A) | \$ 99,750,215 | \$ 3,247,600 | \$ 2,274,750 | \$ 300,000 | \$ - | 1.14 | \$ 199,500,429 | Yes | - | - | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| 1 | Far EasTone Telecommunications Co., Ltd. | KGEx.com Co., Ltd. | (Note A) | 36,363,366 | 45,000 | 45,000 | 5,994 | - | 0.06 | 72,726,731 | - | - | - | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| 2 | Yuan Ding Investment Co., Ltd. | FEDP (Holding) Ltd. | (Note C) | 20,845,961 | 303,500 | - | - | - | - | 41,691,921 | - | - | - | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| | | Far Eastern Apparel Co., Ltd. | (Note A) | 20,845,961 | 130,000 | 130,000 | 38 | - | 0.31 | 41,691,921 | - | - | - | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| | | Oriental Resources Development Ltd. | (Note A) | 20,845,961 | 200,000 | 200,000 | 100,000 | - | 0.48 | 41,691,921 | - | - | - | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| | | Da Ju Fiber Co., Ltd. | (Note B) | 20,845,961 | 394,000 | 394,000 | 120,000 | - | 0.95 | 41,691,921 | - | - | - | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| | | PET Far Eastem (Holding) Ltd. | (Note C) | 19,950,043 | 1,091,925 | 1,091,925 | 487,011 | - | 2.62 | 19,950,043 | - | - | - | Limits on each counter-party's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note L). |
| | | Far Eastem Apparel (Holding) Ltd. | (Note A) | 20,845,961 | 1,821,000 | 1,582,500 | 259,159 | - | 3.8 | 41,691,921 | - | - | - | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| | | Far Eastern Polychem Industries Ltd. | (Note C) | 19,950,043 | 2,731,500 | 2,215,500 | - | - | 5.31 | 19,950,043 | - | - | - | Limits on each counter-party's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note L). |

(Continued)

| No. | Endorser/ Guarantor | Endorsee/Guarantee | | Limits on Each Counter-party's Endorsement/ Guarantee Amounts | Maximum Amounts Allowed for the Period | Outstanding Endorsement/ Guarantee at the End of the Period | Actual Borrowing Amount | Amount Endorsed/ Guaranteed by Collaterals | Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note M) | Aggregate Endorsement/ Guarantee Limit | Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note O) | Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note O) | Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note O) | Note |
|-----|---------------------------------------|--|--------------|--|--|--|-------------------------|---|--|---|--|--|---|---|
| | | Name | Relationship | | | | | | | | | | | |
| | | Oriental Textile (Holding) Ltd. | (Note A) | \$ 20,845,961 | \$ 2,848,500 | \$ 2,848,500 | \$ 264,590 | \$ - | 6.83 | \$ 41,691,921 | - | - | - | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| | | Far Eastern New Century Corporation | (Note D) | 20,845,961 | 300,000 | 300,000 | - | - | 0.72 | 41,691,921 | - | Yes | - | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| | | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | (Note A) | 20,845,961 | 309,200 | - | - | - | - | 41,691,921 | - | - | Yes | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| | | Far Eastern Industries (WuXi) Ltd. | (Note A) | 20,845,961 | 618,400 | - | - | - | - | 41,691,921 | - | - | Yes | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| | | Oriental Industries (Suzhou) Ltd. | (Note A) | 20,845,961 | 620,474 | - | - | - | - | 41,691,921 | - | - | Yes | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| 3 | Far Eastern Resources Development Co. | Far Eastern New Century Corporation | (Note D) | 12,799,122 | 6,271,448 | 6,271,448 | 2,640,000 | 6,271,448 | 3.14 | 25,598,243 | - | Yes | - | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| 8 | PET Far Eastem (Holding) Ltd. | Far Eastern Union Petrochemical (Yangzhou) Corporation | (Note A) | 99,750,215 | 4,374,880 | 4,114,500 | 2,009,775 | - | 2.06 | 199,500,429 | - | - | Yes | Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note H). |
| 11 | Yuan Ding Company Ltd. | Ding Ding Hotel Co., Ltd. | (Note A) | 4,110,044 | 803,000 | 803,000 | 348,000 | 50,000 | 0.4 | 8,220,087 | - | - | - | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| | | Yuan Ding Integrated Information Service (Shanghai) Inc. | (Note A) | 4,110,044 | 63,300 | 63,300 | 15,825 | - | 0.03 | 8,220,087 | - | - | Yes | Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G). |
| 12 | Far Eastern Construction Co., Ltd. | Far Eastern General Contractor Co., Ltd. | (Note A) | 33,076,713 | 1,179,200 | 300,000 | 200,000 | - | 2.72 | 33,076,713 | - | - | - | Limits on each counter-party's endorsement/guarantee amounts (Note K); maximum amounts allowed for the period (Note K). |

(Continued)

| No. | Endorser/ Guarantor | Endorsee/Guarantee | | Limits on Each Counter-party's Endorsement/ Guarantee Amounts | Maximum Amounts Allowed for the Period | Outstanding Endorsement/ Guarantee at the End of the Period | Actual Borrowing Amount | Amount Endorsed/ Guaranteed by Collaterals | Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note M) | Aggregate Endorsement/ Guarantee Limit | Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note O) | Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note O) | Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note O) | Note |
|-----|--|--------------------------------------|--------------|---|---|--|-------------------------------|---|--|--|--|---|---|---|
| | | Name | Relationship | | | | | | | | | | | |
| 30 | Far Eastern Industries (Shanghai) Ltd. | Wuhan Far Eastern New Material Ltd. | (Note C) | \$ 8,950,568 | \$ 407,400 | \$ - | \$ - | \$ - | - | \$ 17,901,136 | - | - | Yes | Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note E). |
| 40 | Oriental Industries (Suzhou) Ltd. | Far Eastern Industries (Suzhou) Ltd. | (Note C) | 99,750,215 | 1,136,775 | 1,111,313 | - | - | 2.67 | 199,500,429 | - | - | Yes | Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note H). |

Notes: A. Parent company's direct or indirect subsidiary.

B. Equity-method investee.

C. The guarantee provider and counter-party have the same ultimate parent company.

D. Parent company of the investee.

E. The amount of the collateral/guarantee is equal to 200% of the net value of the guarantor (based on audited financial statements) as of December 31, 2014.

F. The amount of the collateral/guarantee is equal to 50% of the net value of the guarantor (based on audited financial statements) as of December 31, 2014.

G. The amount of the collateral/guarantee is equal to the net value of the guarantor (based on audited financial statements) as of December 31, 2014.

H. The amount of the collateral/guarantee is equal to the net value of the ultimate parent company (based on audited financial statements) as of December 31, 2014.

I. The amount of the collateral/guarantee is equal to 50% of the net value of the ultimate parent company (based on audited financial statements) as of December 31, 2014.

J. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on audited financial statements) and 50% of the net value of Yuan Ding Investment Co., Ltd. (based on audited financial statements) as of December 31, 2014.

K. The amount of the collateral/guarantee is equal to 300% of the net value of the guarantor (based on audited financial statements) as of December 31, 2014.

L. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on audited financial statements) and 10% of the net value of Yuan Ding Investment Co., Ltd. (based on audited financial statements) as of December 31, 2014.

M. The ratio of accumulated endorsement/guarantee to net equity in latest financial statements is calculated in accordance with Regulations Governing Loaning of Funds and Marketing of Endorsements/Guarantees by Public Companies.

N. The tariff guarantee maximum amounts allowed for a subsidiary in Mainland China for the period and the actual appropriation as of period end are as follows: (1) Far Eastern Industries (WuXi) Ltd.: RMB11,349 thousand (NT\$57,795 thousand), the actual remittance was this same amount. (2) Far Eastern Apparel (Suzhou) Ltd.: RMB1,250 thousand (NT\$6,366 thousand), the actual remittance was this same amount.

O. There will be a "Yes" if the situation meets any with endorsement/guarantee given by parent on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent and endorsement/guarantee given on behalf of companies in Mainland China.

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD
 DECEMBER 31, 2014
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2014 | | | | Note |
|---|--|---|---|---|-----------------|-----------------------------|---------------------------------|--|
| | | | | Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value | |
| Far Eastern New Century Corporation | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 750,511 | \$ 20,188,007 | 22.33 | \$ 29,269,929 | 19,900 thousand shares pledged or mortgaged as collaterals for loans |
| | Far Eastern Department Stores Co., Ltd. | (Note A) | Investments accounted for using the equity method | 241,770 | 5,090,002 | 16.80 | 6,817,914 | |
| | Oriental Union Chemical Corp. | (Note A) | Investments accounted for using the equity method | 81,216 | 1,504,072 | 9.17 | 2,229,379 | |
| | Everest Textile Co., Ltd. | (Note A) | Investments accounted for using the equity method | 129 | 1,508 | 0.03 | 2,038 | |
| | Oriental Securities Corp. | (Note A) | Investments accounted for using the equity method | 140,278 | 2,067,580 | 19.65 | - | |
| | Pacific Liu Tong Investment Co., Ltd. (Note G) | (Note A) | Investments accounted for using the equity method | 135,000 | 1,843,780 | 16.83 | - | |
| | Yuan Ding Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 1,822,822 | 41,067,513 | 99.40 | - | |
| | Far Eastern Resources Development Co. | (Note A) | Investments accounted for using the equity method | 557,354 | 96,565,010 | 100.00 | - | |
| | Far Eastern Polytex (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 124 | 8,753,563 | 100.00 | - | |
| | Far Eastern Polychem Industries Ltd. | (Note A) | Investments accounted for using the equity method | 830,815 | 8,116,141 | 73.04 | - | |
| | Yuan Tong Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 705,147 | 7,932,131 | 100.00 | - | |
| | Kai Yuan International Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 302,843 | 5,182,313 | 100.00 | - | |
| | Far Eastern Investment (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 1,700 | 8,281,047 | 100.00 | - | |
| | PET Far Eastern (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 333 | 6,621,648 | 90.54 | - | |
| | Oriental Petrochemical (Taiwan) Co., Ltd. | (Note A) | Investments accounted for using the equity method | 1,032,195 | 6,665,722 | 75.56 | - | |
| | Far Eastern Construction Co., Ltd. | (Note A) | Investments accounted for using the equity method | 198,791 | 7,097,316 | 65.11 | - | |
| | Yuan Ding Company Ltd. | (Note A) | Investments accounted for using the equity method | 186,929 | 3,365,650 | 37.13 | - | |
| | An Ho Garment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 66,346 | 1,805,268 | 100.00 | - | |
| | Ding Yuan International Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 205,000 | 2,762,049 | 100.00 | - | |
| | FEDP (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 244 | 340,899 | 50.43 | - | |
| Fu Kwok Garment Manufacturing Co., Ltd. | (Note A) | Investments accounted for using the equity method | 3,999 | 193,322 | 99.99 | - | | |
| Ding Ding Hotel Co., Ltd. | (Note A) | Investments accounted for using the equity method | 19,772 | 103,408 | 19.00 | - | | |
| Far Eastern Textile Ltd. | (Note A) | Investments accounted for using the equity method | 100 | 1,308 | 100.00 | - | | |
| Far Eastern International Bank | (Note C) | Available-for-sale financial assets - non-current | 75,712 | 794,978 | 2.65 | 794,978 | | |
| Yuan Ding Investment Co., Ltd. | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 11,045 | 454,258 | 0.33 | 430,755 | 43,145 thousand shares pledged or mortgaged as collaterals for loans |
| | Oriental Union Chemical Corp. | (Note A) | Investments accounted for using the equity method | 82,169 | 1,727,200 | 9.28 | 2,255,539 | |
| | Far Eastern Department Stores Co., Ltd. | (Note A) | Investments accounted for using the equity method | 7,307 | 209,634 | 0.51 | 206,057 | |
| | Everest Textile Co., Ltd. | (Note A) | Investments accounted for using the equity method | 118,869 | 1,127,366 | 25.23 | 1,878,130 | |
| | Far EasTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | 1,066,658 | 23,742,197 | 32.73 | 77,866,034 | |
| | Far Eastern Polychem Industries Ltd. | (Note A) | Investments accounted for using the equity method | 306,644 | 2,995,772 | 26.96 | - | |
| | Far Eastern Apparel (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 111 | 2,565,031 | 100.00 | - | |
| | Da Ju Fiber Co., Ltd. | (Note A) | Investments accounted for using the equity method | 23,081 | 1,281,699 | 41.86 | - | |
| | Far Eastern Apparel Co., Ltd. | (Note A) | Investments accounted for using the equity method | 24,736 | 368,392 | 100.00 | - | |
| | Yuan Faun Ltd. | (Note A) | Investments accounted for using the equity method | 5,000 | 121,298 | 100.00 | - | |
| | Yue Ming Corp. | (Note A) | Investments accounted for using the equity method | 3,671 | 71,112 | 45.50 | - | |
| | Yuan Ding Leasing Corp. | (Note A) | Investments accounted for using the equity method | 36,706 | 428,360 | 46.20 | - | |
| | Far Eastern Fibertech Co., Ltd. | (Note A) | Investments accounted for using the equity method | 88,317 | 1,032,067 | 100.00 | - | |
| | Oriental Resources Development Ltd. | (Note A) | Investments accounted for using the equity method | 34,242 | 338,458 | 70.00 | - | |
| | Liquid Air Far East Co., Ltd. | (Note A) | Investments accounted for using the equity method | 86,615 | 1,600,532 | 35.00 | - | |
| | Freudenberg Far Eastern Spunweb Co., Ltd. | (Note A) | Investments accounted for using the equity method | 13,052 | 291,836 | 29.80 | - | |
| Oriental Securities Corp. | (Note A) | Investments accounted for using the equity method | 185,247 | 2,836,995 | 25.96 | - | | |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2014 | | | | Note |
|--|--|---------------------------------------|---|---|-----------------|-----------------------------|---------------------------------|--|
| | | | | Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value | |
| | Yuan Ding Company Ltd. | (Note A) | Investments accounted for using the equity method | 64,759 | \$ 1,197,121 | 12.86 | \$ - | 16,500 thousand shares pledged or mortgaged as collaterals for loans |
| | Far Eastern International Leasing Corp. | (Note A) | Investments accounted for using the equity method | 75,268 | 1,181,183 | 16.87 | - | |
| | Oriental Textile (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 89 | 7,009,140 | 100.00 | - | |
| | Pacific Liu Tong Investment Co., Ltd. (Note G) | (Note A) | Investments accounted for using the equity method | 119,653 | 1,547,871 | 14.92 | - | |
| | Yu Yuan Investment Co. | (Note A) | Investments accounted for using the equity method | 98,198 | 964,085 | 18.96 | - | |
| | Far Eastern General Contractor Co., Ltd. | (Note A) | Investments accounted for using the equity method | 1,490 | 22,710 | 1.00 | - | |
| | Oriental Petrochemical (Taiwan) Co., Ltd. | (Note A) | Investments accounted for using the equity method | 70,982 | 459,551 | 5.20 | - | |
| | Chung Nan Textile Co., Ltd. | - | Financial assets carried at cost - non-current | 2,985 | 81,405 | 5.27 | - | |
| | Taiwan Stock Exchange Corp. | - | Financial assets carried at cost - non-current | 1,004 | 22,493 | 0.16 | - | |
| | Universal Venture Capital Investment Corp. | - | Financial assets carried at cost - non-current | 1,400 | 14,000 | 1.16 | - | |
| | Overseas Investment and Development Co., Ltd. | - | Financial assets carried at cost - non-current | 1,000 | 10,000 | 1.11 | - | |
| | China Investment and Development Co., Ltd. | - | Financial assets carried at cost - non-current | 1,287 | 8,250 | 0.80 | - | |
| | Oriental Securities Investment Consultant Co., Ltd. | - | Financial assets carried at cost - non-current | 1 | 10 | - | - | |
| | Dah Chung Bills Finance Corp. | - | Financial assets carried at cost - non-current | 2,165 | 30,669 | 0.50 | - | |
| | U-Ming Marine Transport Corporation | (Note B) | Available-for-sale financial assets - non-current | 5,389 | 268,911 | 0.63 | 268,911 | |
| | Far Eastern International Bank | (Note C) | Available-for-sale financial assets - non-current | 103,003 | 1,081,534 | 3.61 | 1,081,534 | |
| | Financial assets under asset management contracts (Note F) | | | | | | | |
| | TA CHEN | - | Financial assets at fair value through profit or loss - current | 480 | 13,224 | - | 13,224 | |
| | Hon Hai Precision Ind. Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 150 | 13,185 | - | 13,185 | |
| | Taiwan Semiconductor Manufacturing Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 90 | 12,690 | - | 12,690 | |
| | Merry Electronics Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 90 | 10,035 | - | 10,035 | |
| | MediaTek Inc. | - | Financial assets at fair value through profit or loss - current | 55 | 25,410 | - | 25,410 | |
| | FuBon Financial | - | Financial assets at fair value through profit or loss - current | 500 | 25,350 | - | 25,350 | |
| | CTBC Financial | - | Financial assets at fair value through profit or loss - current | 1,100 | 22,605 | - | 22,605 | |
| | Novatek Microelectronics Corp. | - | Financial assets at fair value through profit or loss - current | 80 | 14,240 | - | 14,240 | |
| | Kinsus Interconnect Technology Corp. | - | Financial assets at fair value through profit or loss - current | 50 | 5,275 | - | 5,275 | |
| | Boardtek Electronics Cor. | - | Financial assets at fair value through profit or loss - current | 250 | 10,938 | - | 10,938 | |
| | Sercomm Corp. | - | Financial assets at fair value through profit or loss - current | 200 | 14,300 | - | 14,300 | |
| | Tong Hsing Electronic Industries, Ltd. | - | Financial assets at fair value through profit or loss - current | 60 | 6,540 | - | 6,540 | |
| | Ginko International Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 10 | 3,370 | - | 3,370 | |
| | PAIHO | - | Financial assets at fair value through profit or loss - current | 120 | 5,136 | - | 5,136 | |
| Far Eastern Investment (Holding) Ltd. | FETG Investment Autilles N.V. | (Note A) | Investments accounted for using the equity method | 6 | 1,189,407 | 100.00 | - | |
| | Filsyn Corporation | (Note A) | Investments accounted for using the equity method | 45,066 | - | 21.85 | - | |
| | PET Far Eastern (M) Sdn. Bhd. | (Note A) | Investments accounted for using the equity method | Common stock 5,000 Preferred stock 3,000 | 203,573 | 50.00 | - | |
| | Com2B | (Note A) | Investments accounted for using the equity method | 9,000 | 14,420 | 20.00 | - | |
| | Far Eastern Apparel (Vietnam) Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 252,377 | 100.00 | - | |
| | Worldwide Polychem (HK) Ltd. | (Note A) | Investments accounted for using the equity method | 2,700 | 96,279 | 100.00 | - | |
| | Opas Fund Segregated Portfolio Company | (Note A) | Investments accounted for using the equity method | - | 1,646 | 34.00 | - | |
| Ding Yuan International Investment Co., Ltd. | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 13,222 | 511,946 | 0.39 | 515,658 | |
| | Far Eastern Department Stores Co., Ltd. | (Note A) | Investments accounted for using the equity method | 2,663 | 73,002 | 0.19 | 75,097 | |
| | Everest Textile Co., Ltd. | (Note A) | Investments accounted for using the equity method | 4,226 | 36,969 | 0.90 | 66,771 | |
| | Oriental Union Chemical Corp. | (Note A) | Investments accounted for using the equity method | 24,581 | 664,248 | 2.78 | 674,748 | |
| | Far EasTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | 920 | 41,614 | 0.03 | 67,160 | |
| | Pacific Liu Tong Investment Co., Ltd. (Note G) | (Note A) | Investments accounted for using the equity method | 18,000 | 226,538 | 2.24 | - | |
| | Yue Ding Industry Co., Ltd. | (Note A) | Investments accounted for using the equity method | 10,180 | 307,483 | 13.20 | - | |
| | Far Eastern International Bank | (Note D) | Available-for-sale financial assets - non-current | 76,539 | 803,663 | 2.67 | 803,663 | |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2014 | | | | Note |
|---|---|---------------------------------------|---|---|-----------------|-----------------------------|---------------------------------|--|
| | | | | Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value | |
| Kai Yuan International Investment Co., Ltd. | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 20,207 | \$ 772,043 | 0.60 | \$ 788,073 | 23,800 thousand shares pledged or mortgaged as collaterals for loans |
| | Far EasTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | 34,149 | 1,153,922 | 1.05 | 2,492,877 | |
| | Oriental Union Chemical Corp. | (Note A) | Investments accounted for using the equity method | 35,524 | 832,482 | 4.01 | 975,134 | |
| | Far Eastern Department Stores Co., Ltd. | (Note A) | Investments accounted for using the equity method | 20,672 | 598,667 | 1.44 | 582,950 | |
| | Kowloon Cement Corp. | (Note A) | Investments accounted for using the equity method | 1,127 | 448,282 | 49.00 | - | |
| | Far Eastern International Leasing Corp. | (Note A) | Investments accounted for using the equity method | 74,970 | 1,181,223 | 16.80 | - | |
| | Pacific Liu Tong Investment Co., Ltd. (Note G) | (Note A) | Investments accounted for using the equity method | 18,000 | 226,538 | 2.24 | - | |
| | Far Eastern International Bank | (Note D) | Available-for-sale financial assets - non-current | 92,922 | 975,681 | 3.25 | 975,681 | |
| | U-Ming Marine Transport Corporation | (Note E) | Available-for-sale financial assets - non-current | 819 | 40,868 | 0.10 | 40,868 | |
| Far Eastern Polychem Industries Ltd. | Far Eastern Industries (Shanghai) Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 8,026,854 | 87.64 | - | |
| | PET Far Eastern (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 35 | 698,377 | 9.46 | - | |
| | FEDP (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 240 | 335,087 | 49.57 | - | |
| | Far Eastern Industries (Yangzhou) Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 1,570,777 | 100.00 | - | |
| | Far Eastern Ishizuka Green Pet Corporation | (Note A) | Investments accounted for using the equity method | 120 | 135,910 | 80.00 | - | |
| | Bank of Chungqing | - | Available-for-sale financial assets - non-current | 8,787 | 214,801 | 0.32 | 214,801 | |
| Nippon Parison Co., Ltd. | | - | Financial assets carried at cost - non-current | 4 | 69,135 | 10.00 | - | |
| | | | | | | | | |
| Far Eastern Construction Co., Ltd. | Far Eastern General Contractor Co., Ltd. | (Note A) | Investments accounted for using the equity method | 147,413 | 2,065,732 | 98.95 | - | |
| | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 17,727 | 627,920 | 0.53 | 691,353 | |
| | U-Ming Marine Transport Corporation | (Note E) | Available-for-sale financial assets - current | 1,590 | 79,331 | 0.19 | 79,331 | |
| Far Eastern Apparel (Holding) Ltd. | Far Eastern Apparel (Suzhou) Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 516,065 | 38.46 | - | |
| | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 2,284,054 | 100.00 | - | |
| Far Eastern Apparel Co., Ltd. | Yue Ding Industry Co., Ltd. | (Note A) | Investments accounted for using the equity method | 5 | 96 | 0.01 | - | |
| Far Eastern General Contractor Co., Ltd. | U-Ming Marine Transport Corporation | (Note E) | Available-for-sale financial assets - current | 746 | 37,250 | 0.09 | 37,250 | |
| | Kaohsiung Rapid Transit Co., Ltd. | - | Financial assets carried at cost - non-current | 7,572 | 46,917 | 2.72 | - | |
| | Ya-Li Precast Prestressed Concrete Industries Corp. | - | Financial assets carried at cost - non-current | 3,106 | 25,142 | 16.03 | - | |
| | Far Eastern Technical Consultants Co., Ltd. | (Note A) | Investments accounted for using the equity method | 450 | 4,272 | 9.00 | - | |
| | CTBC Hwa-win Money Market Fund | - | Financial assets at fair value through profit or loss - current | 30,488 | 330,021 | - | 330,021 | |
| | Deutsche Far Eastern DWS Taiwan Money Market Fund | - | Financial assets at fair value through profit or loss - current | 871 | 10,005 | - | 10,005 | |
| | Mirae Asset Solomon Money Market Fund | - | Financial assets at fair value through profit or loss - current | 12,102 | 150,000 | - | 150,000 | |
| FETG Investment Antilles N.V. | Waldorf Services B.V. | (Note A) | Investments accounted for using the equity method | 2 | 1,187,271 | 100.00 | - | |
| Waldorf Services B.V. | Cemtex Apparel Inc. | (Note A) | Other liabilities - other | 90 | (11,627) | 50.00 | - | |
| | Malaysia Garment Manufactures Pte. Ltd. | (Note A) | Investments accounted for using the equity method | 30 | 65,794 | 37.92 | - | |
| | Far Eastern International Garments | (Note A) | Other liabilities - other | 59 | (12,531) | 41.00 | - | |
| | Albert & Orient Glycol Ltd. | - | Financial assets carried at cost - current | - | - | 25.00 | - | |
| | Filsyn Corporation | - | Financial assets carried at cost - non-current | 20,513 | - | 9.95 | - | |
| An Ho Garment Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | 40,818 | 1,087,829 | 1.25 | 2,979,714 | 22,750 thousand shares pledged or mortgaged as collaterals for loans |
| | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 6,094 | 262,487 | 0.18 | 237,666 | |
| | Oriental Union Chemical Corp. | (Note A) | Investments accounted for using the equity method | 11,160 | 291,148 | 1.26 | 306,342 | |
| | Far Eastern Department Stores Co., Ltd. | (Note A) | Investments accounted for using the equity method | 370 | 11,732 | 0.03 | 10,434 | |
| | Oriental Securities Corp. | (Note A) | Investments accounted for using the equity method | 5,890 | 91,212 | 0.83 | - | |
| | Yue Ding Industry Co., Ltd. | (Note A) | Investments accounted for using the equity method | 12,084 | 266,676 | 15.66 | - | |
| | Pacific Liu Tong Investment Co., Ltd. (Note G) | (Note A) | Investments accounted for using the equity method | 9,681 | 127,600 | 1.21 | - | |
| | Yuan Ding Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 5,502 | 167,742 | 0.30 | - | |
| | Far Eastern International Bank | (Note D) | Available-for-sale financial assets - non-current | 19,060 | 200,125 | 0.67 | 200,125 | |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2014 | | | | Note |
|---|---|---|---|---|-----------------|-----------------------------|---------------------------------|--|
| | | | | Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value | |
| Yuan Faun Ltd. | Yuan Cheng Human Resources Consultant Corp. | (Note A) | Investments accounted for using the equity method | 745 | \$ 12,604 | 55.19 | \$ - | 34,100 thousand shares pledged or mortgaged as collaterals for loans |
| | Far Eastern International Bank | (Note D) | Available-for-sale financial assets - non-current | 3,865 | 42,407 | 0.14 | 42,407 | |
| | Yi Tong Fiber Co., Ltd. | - | Financial assets carried at cost - non-current | 3,504 | 28,519 | 3.56 | - | |
| Fu Kwok Garment Manufacturing Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | 520 | 19,853 | 0.02 | 37,960 | |
| Yuan Tong Investment Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | 100,237 | 2,837,687 | 3.08 | 7,317,301 | |
| | Far Eastern Department Stores Co., Ltd. | (Note A) | Investments accounted for using the equity method | 39,619 | 1,288,621 | 2.75 | 1,117,256 | |
| | Oriental Union Chemical Corp. | (Note A) | Investments accounted for using the equity method | 41,161 | 1,577,874 | 4.65 | 1,129,869 | |
| | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 28,579 | 1,193,962 | 0.85 | 1,114,581 | |
| | Pacific Liu Tong Investment Co., Ltd. (Note G) | (Note A) | Investments accounted for using the equity method | 18,000 | 226,538 | 2.24 | - | |
| | Far Eastern Electronic Toll Collection Co., Ltd. | (Note A) | Investments accounted for using the equity method | 77,257 | 328,155 | 11.98 | - | |
| | Liquid Air Far East Co., Ltd. | (Note A) | Investments accounted for using the equity method | 1 | 23 | - | - | |
| | Sino Belgium (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 35 | 107,600 | 93.55 | - | |
| | Freudenberg Far Eastern Spunweb Co., Ltd. | (Note A) | Investments accounted for using the equity method | 1 | 31 | - | - | |
| | Deutsche Far Eastern Global BioInnovation fund | - | Available-for-sale financial assets - current | 5,000 | 55,550 | - | 55,550 | |
| | Far Eastern International Bank | (Note D) | Available-for-sale financial assets - non-current | 18,418 | 193,392 | 0.64 | 193,392 | |
| | Ding Shen Investment Co., Ltd. | - | Financial assets carried at cost - non-current | 39,600 | 396,000 | 18.00 | - | |
| | Bockhold N.V. - stock | - | Financial assets carried at cost - non-current | 1 | 108,533 | 12.51 | - | |
| | Bockhold N.V. - conversion option embedded into convertible bonds | - | Financial assets carried at cost - non-current | - | 6,948 | - | - | |
| | Bockhold N.V. - convertible bonds | - | Bond investments with no active market - current | - | 182,583 | - | - | |
| | Bockhold N.V. - convertible bonds | - | Bond investments with no active market - non-current | - | 37,491 | - | - | |
| | Financial assets under asset management contracts (Note F) | - | - | - | - | - | - | |
| | GREATWALL ENT | - | Financial assets at fair value through profit or loss - current | 351 | 9,670 | - | 9,670 | |
| | HON HAI | - | Financial assets at fair value through profit or loss - current | 219 | 19,250 | - | 19,250 | |
| | Taiwan Semiconductor Manufacturing Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 202 | 28,482 | - | 28,482 | |
| Merry Electronics Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 57 | 6,356 | - | 6,356 | | |
| MediaTek Inc. | - | Financial assets at fair value through profit or loss - current | 60 | 27,720 | - | 27,720 | | |
| FuBon Financial | - | Financial assets at fair value through profit or loss - current | 342 | 17,339 | - | 17,339 | | |
| CTBC Financial | - | Financial assets at fair value through profit or loss - current | 1,479 | 30,393 | - | 30,393 | | |
| Novatek Microelectronics Corp. | - | Financial assets at fair value through profit or loss - current | 95 | 16,910 | - | 16,910 | | |
| Kinsus Interconnect Technology Corp. | - | Financial assets at fair value through profit or loss - current | 58 | 6,119 | - | 6,119 | | |
| Sercomm Corp. | - | Financial assets at fair value through profit or loss - current | 142 | 10,153 | - | 10,153 | | |
| Tong Hsing Electronic Industries, Ltd. | - | Financial assets at fair value through profit or loss - current | 59 | 6,431 | - | 6,431 | | |
| Taiwan Paiho Limited | - | Financial assets at fair value through profit or loss - current | 78 | 3,338 | - | 3,338 | | |
| Boardtek Electronics Cor. | - | Financial assets at fair value through profit or loss - current | 154 | 6,738 | - | 6,738 | | |
| Ginko International Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 10 | 3,370 | - | 3,370 | | |
| Far Eastern Apparel (Suzhou) Ltd. | An Ho Garment (Suzhou) Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 50,248 | 100.00 | - | |
| PET Far Eastern (Holding) Ltd. | Oriental Petrochemical (Shanghai) Corp. | (Note A) | Investments accounted for using the equity method | (Note H) | 4,303,336 | 53.24 | - | |
| | Far Eastern Union Petrochemical (Yangzhou) Corporation | (Note A) | Investments accounted for using the equity method | (Note H) | 1,974,612 | 50.00 | - | |
| | Tong Da Air Industry (Yangzhou) Co., Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 1,048,327 | 50.00 | - | |
| Oriental Textile (Holding) Ltd. | Far Eastern Industries (WuXi) Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 3,335,942 | 100.00 | - | |
| | Oriental Industries (Suzhou) Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 4,203,183 | 100.00 | - | |
| FEDP (Holding) Ltd. | Far Eastern Industries (Suzhou) Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 435,766 | 100.00 | - | |
| Far Eastern Polytex (Holding) Ltd. | Wuhan Far Eastern New Material Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 1,024,422 | 100.00 | - | |
| | Far Eastern Apparel (Suzhou) Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 825,752 | 61.54 | - | |
| | Far Eastern New Century (China) Investment Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 2,324,218 | 100.00 | - | |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2014 | | | | Note | |
|---|--|---------------------------------------|---|---|-----------------|-----------------------------|---------------------------------|---------|---|
| | | | | Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value | | |
| | Far Eastern Yihua Petrochemical (Yangzhou) Corporation | (Note A) | Investments accounted for using the equity method | (Note H) | \$ 4,468,806 | 60.00 | \$ - | | |
| Far Eastern New Century (China) Investment Ltd. | Far Eastern Industries (Shanghai) Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 1,138,046 | 12.36 | - | | |
| | Shanghai Yuan Zi Information Co., Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 67,776 | 100.00 | - | | |
| | Oriental Petrochemical (Shanghai) Corp. | (Note A) | Investments accounted for using the equity method | (Note H) | 586,819 | 8.11 | - | | |
| | Yuan Ding Enterprise (Shanghai) Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 539,805 | 100.00 | - | | |
| Sino Belgium (Holding) Ltd. | Sino Belgium (Suzhou) Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 147,187 | 100.00 | - | | |
| | Martens Beers Trading (Shanghai) Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 55,692 | 100.00 | - | | |
| Oriental Petrochemical (Shanghai) Corp. | Shanghai Far Eastern Petrochemical Logistic Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 126,360 | 100.00 | - | | |
| Yuan Ding Company Ltd. | YDT Technology International Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 13,992 | 467,219 | 100.00 | - | |
| | Ding Ding Integrated Marketing Services Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 9,833 | 119,481 | 60.00 | - | |
| | Far Eastern Technical Consultants Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 4,550 | 46,367 | 91.00 | - | |
| | YDC (VirginIslands) Ltd. | (Note A) | Investments accounted for using the equity method | | - | 8,078 | 17.70 | - | |
| | Ding Ding Hotel Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 64,502 | 337,219 | 61.99 | - | |
| | Far Eastern Electronic Commerce Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 23,913 | 12,866 | 53.08 | - | |
| | FET Consulting Engineers Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 85,000 | 382,286 | 100.00 | - | |
| | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | | 5,329 | 218,349 | 0.16 | 207,831 | |
| | Far EastTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 4,164 | 113,111 | 0.13 | 303,972 | |
| | Yu Yuan Investment Co. | (Note A) | Investments accounted for using the equity method | | 129,637 | 2,060,049 | 25.02 | - | 104,000 thousand shares pledged or mortgaged as collaterals for loans |
| | Yue Ming Corp. | (Note A) | Investments accounted for using the equity method | | 81 | 757 | 1.00 | - | |
| | Yue Ding Industry Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 2,000 | 43,735 | 2.59 | - | |
| | FEDS Asia Pacific Development Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 10,500 | 128,195 | 5.00 | - | 10,236 thousand shares pledged or mortgaged as collaterals for loans |
| | Far Eastern Electronic Toll Collection Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 96,312 | 403,667 | 14.93 | - | |
| | Yuan Hsin Digital Payment Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 30,000 | 270,810 | 20.00 | - | |
| | Far Eastern New Century Corporation | (Note J) | Financial assets at fair value through profit or loss - current | | 764 | 23,992 | 0.01 | 23,992 | |
| | Far Eastern International Bank | (Note D) | Available-for-sale financial assets - non-current | | 7,205 | 75,654 | 0.25 | 75,654 | |
| Ding Ding Integrated Marketing Services Co., Ltd. | Far Eastern Electronic Commerce Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 79 | 38 | 0.18 | - | |
| | Yuan Hsin Digital Payment Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 22,515 | 201,214 | 15.01 | - | |
| | Pacific SOGO Department Stores | - | Financial assets carried at cost - non-current | | 1 | 10 | - | - | |
| Far Eastern Electronic Commerce Co., Ltd. | Deutsche Far Eastern DWS Security Fund | - | Financial assets at fair value through profit or loss - current | | 12,235 | 140,541 | - | 140,541 | |
| | Yuantai Foreign Trade | - | Financial assets carried at cost - non-current | | 480 | 4,800 | 4.00 | - | |
| FET Consulting Engineers Co., Ltd. | DDIM (VirginIslands) Ltd. | (Note A) | Other liabilities - other | (Note H) | (110,281) | 100.00 | - | | |
| YDC (VirginIslands) Ltd. | Yuan Ding Integrated Information Service (Shanghai) Inc. | (Note A) | Other liabilities - other | (Note H) | (950) | 0.85 | - | | |
| | Speedy (Shanghai) Digital Tech. Co., Ltd. | (Note A) | Investments accounted for using the equity method | (Note H) | 44,911 | 100.00 | - | | |
| DDIM (VirginIslands) Ltd. | Yuan Ding Integrated Information Service (Shanghai) Inc. | (Note A) | Other liabilities - other | (Note H) | 110,965 | 99.15 | - | | |
| YDT Technology International Co., Ltd. | Everest Textile Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 793 | 6,961 | 0.17 | 12,529 | |
| | Far Eastern Department Stores Co., Ltd. | (Note A) | Investments accounted for using the equity method | | 2,764 | 98,796 | 0.19 | 77,945 | |
| | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | | 61 | 2,473 | - | 2,379 | |
| | YDC (VirginIslands) Ltd. | (Note A) | Investments accounted for using the equity method | | 1 | 37,560 | 82.30 | - | |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2014 | | | | Note |
|--|--|--|---|---|-----------------|-----------------------------|---------------------------------|------|
| | | | | Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value | |
| Far EasTone Telecommunications Co., Ltd. | Far Eastern International Bank | (Note D) | Available-for-sale financial assets - non-current | 2,534 | \$ 26,604 | 0.09 | \$ 26,604 | |
| | Oriental Securities Investment Consultant Co., Ltd. | - | Financial assets carried at cost - non-current | 1 | 10 | - | - | |
| | New Century InfoComm Tech Co., Ltd. | (Note A) | Investments accounted for using the equity method | 2,100,000 | 26,239,882 | 100.00 | - | |
| | Arcoa Communication Co., Ltd. | (Note A) | Investments accounted for using the equity method | 82,762 | 1,312,989 | 61.63 | - | |
| | KGEx.com Co., Ltd. | (Note A) | Investments accounted for using the equity method | 112,391 | 891,631 | 99.99 | - | |
| | Hiiir Digital Marketing Co., Ltd. | (Note A) | Investments accounted for using the equity method | 53,726 | 412,743 | 89.54 | - | |
| | Yuan Cing Co., Ltd. | (Note A) | Investments accounted for using the equity method | 19,350 | 126,617 | 99.99 | - | |
| | E.World (Holdings) Ltd. | (Note A) | Investments accounted for using the equity method | 6,015 | 99,467 | 85.92 | - | |
| | Far EasTron Holding Ltd. | (Note A) | Investments accounted for using the equity method | 4,487 | 27,048 | 100.00 | - | |
| | Far Eastern Info Service (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 1 | 5,768 | 100.00 | - | |
| | O-music Co., Ltd. | (Note A) | Other liabilities - other | 2,500 | (30) | 50.00 | - | |
| | Q-Ware Communication Co., Ltd. | (Note A) | Other liabilities - other | 33,983 | (63,123) | 81.46 | - | |
| | Far Eastern Electronic Toll Collection Co., Ltd. | (Note A) | Investments accounted for using the equity method | 254,240 | 696,803 | 39.42 | - | |
| | Far Eastern Electronic Commerce Co., Ltd. | (Note A) | Investments accounted for using the equity method | 6,691 | 4,304 | 14.85 | - | |
| | Ding Ding Integrated Marketing Services Co., Ltd. | (Note A) | Investments accounted for using the equity method | 2,458 | 30,182 | 15.00 | - | |
| | iScreen Corporation | (Note A) | Investments accounted for using the equity method | 4,000 | 16,526 | 40.00 | - | |
| | Yuan Hsin Digital Payment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 45,000 | 402,160 | 30.00 | - | |
| | Alliance Digital Technology Co., Ltd. | (Note A) | Investments accounted for using the equity method | 3,000 | 21,917 | 13.33 | - | |
| | AppWorks Venture Co., Ltd. | - | Financial assets carried at cost - non-current | 15,000 | 150,000 | 19.43 | - | |
| | Opas Fund Segregated Portfolio Tranche D | - | Available-for-sale financial assets - current | 5 | 181,853 | - | 181,853 | |
| New Century InfoComm Tech Co., Ltd. | New Diligent Co., Ltd. | (Note A) | Investments accounted for using the equity method | 80,000 | 632,736 | 100.00 | - | |
| | Information Security Service Digital United Co., Ltd. | (Note A) | Investments accounted for using the equity method | 14,878 | 102,490 | 100.00 | - | |
| | Digital United (Cayman) Ltd. | (Note A) | Investments accounted for using the equity method | 4,320 | 40,087 | 100.00 | - | |
| | Simple InfoComm Co., Ltd. | (Note A) | Investments accounted for using the equity method | 3,400 | 20,904 | 100.00 | - | |
| | Ding Ding Integrated Marketing Services Co., Ltd. | (Note A) | Investments accounted for using the equity method | 819 | 10,061 | 5.00 | - | |
| | Far Eastern Electronic Commerce Co., Ltd. | (Note A) | Investments accounted for using the equity method | 2,392 | 1,539 | 5.31 | - | |
| | Opas Fund Segregated Portfolio Tranche B | - | Available-for-sale financial assets - current | 11,499 | 519,568 | - | 519,568 | |
| | DfE DWS Global BioInnovation | - | Available-for-sale financial assets - current | 5,000 | 55,550 | - | 55,550 | |
| | Kaohsiung Rapid Transit Co., Ltd. | - | Financial assets carried at cost - non-current | 8,858 | 50,000 | 3.18 | - | |
| BankPro E-service Technology Co., Ltd. | - | Financial assets carried at cost - non-current | 450 | 4,500 | 3.33 | - | | |
| Arcoa Communication Co., Ltd. | Data Express Infotech Co., Ltd. | (Note A) | Investments accounted for using the equity method | 12,866 | 198,519 | 70.00 | - | |
| | THI Consultants, Inc. | - | Financial assets carried at cost - non-current | 1,214 | 12,190 | 18.32 | - | |
| | Taiwan Star Telecom Corporation Limited (Vibo Telecom Inc. originally) | - | Financial assets carried at cost - non-current | 8 | - | - | - | |
| | Chunghwa Int'l Communication Network Co., Ltd. | - | Financial assets carried at cost - non-current | 1,252 | - | 3.98 | - | |
| | Web Point Co., Ltd. | - | Financial assets carried at cost - non-current | 161 | 1,618 | 0.63 | - | |
| New Diligent Co., Ltd. | Sino Lead Enterprise Limited | (Note A) | Investments accounted for using the equity method | - | 225 | 100.00 | - | |
| | Far Eastern New Diligent Co., Ltd. | (Note A) | Investments accounted for using the equity method | - | 125,605 | 100.00 | - | |
| Data Express Infotech Co., Ltd. | Linkwell Tech. Ltd. | (Note A) | Investments accounted for using the equity method | - | 49,782 | 100.00 | - | |
| | Home Master Technology Ltd. | (Note A) | Other liabilities - other | - | (2,937) | 99.99 | - | |
| | Jing Yuan Technology Ltd. | (Note A) | Investments accounted for using the equity method | - | - | - | - | |
| Digital United (Cayman) Ltd. | Far Eastern New Century Information Technology (Beijing) Limited | (Note A) | Investments accounted for using the equity method | - | 18,641 | 100.00 | - | |
| Far Eastern Tech-Info Ltd. (Shanghai) | Far Eastern New Century Information Technology (Beijing) Limited | (Note A) | Investments accounted for using the equity method | - | 133,338 | 2.12 | - | |
| Far Eastern New Diligent Co., Ltd. | Far Eastern New Century Information Technology (Beijing) Limited | (Note A) | Investments accounted for using the equity method | - | 27,731 | 76.92 | - | |
| | Far Eastern Tech-Info Ltd. (Shanghai) | (Note A) | Investments accounted for using the equity method | - | 82,294 | 58.33 | - | |
| Far Eastern Info Service (Holding) Ltd. | Far Eastern Tech-Info Ltd. (Shanghai) | (Note A) | Investments accounted for using the equity method | - | 58,781 | 41.67 | - | |

(Continued)

- Notes:
- A. Equity-method investee.
 - B. Investor company and investee have the same chairman.
 - C. The vice chairman of investee is the chairman of FENC.
 - D. The chairman of FENC is the vice chairman of the investee company.
 - E. The chairman of the investee is FENC's chairman.
 - F. Financial assets under asset management contracts and the financial assets can be sold in the open market by the investee, Oriental Securities Corp.
 - G. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.
 - H. A private company.
 - I. The Fair value of financial assets measured at cost and unlisted equity investments held by the Group was not disclosed due to it can't be reliably measured.
 - J. Parent company.
 - K. Relevant information about investment of subsidiaries, affiliates and joint venture. Please refer Schedule J and K.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Company Name | Type and Name of Marketable Securities | Financial Statement Account | Counterparty | Relationship | Beginning Balance | | Acquisition | | Disposal | | | Investment Income under the Equity Method | Ending Balance | | |
|--|--|---|-----------------------|--------------|------------------------------------|--------------|------------------------------------|------------|------------------------------------|---------|------------|---|----------------|------------------------------------|--------------|
| | | | | | Shares (Thousands)/ Thousand Units | Amount | Shares (Thousands)/ Thousand Units | Amount | Shares (Thousands)/ Thousand Units | Price | Book Value | | Disposal Gain | Shares (Thousands)/ Thousand Units | Amount |
| Far Eastern New Century Corporation | Far Eastern Polytex (Holding) Ltd. | Equity-method investments | Cash capital increase | (Note A) | 116 | \$ 8,320,143 | 8 | \$ 482,900 | - | \$ - | \$ - | \$ - | \$ (49,480) | 124 | \$ 8,753,563 |
| | PET Far Eastern (Holding) Ltd. | Equity-method investments | Cash capital increase | (Note A) | 264 | 5,785,936 | 69 | 1,566,047 | - | - | - | - | (730,335) | 333 | 6,621,648 |
| | Oriental Petrochemical (Taiwan) Co., Ltd. | Equity-method investments | Cash capital increase | (Note A) | 881,078 | 6,565,878 | 151,117 | 1,511,163 | - | - | - | - | (1,411,319) | 1,032,195 | 6,665,722 |
| Yuan Tong Investment Co., Ltd. | Sino Belgium (Holding) Ltd. | Equity-method investments | Cash capital increase | (Note A) | 30 | 30,320 | 5 | 317,650 | - | - | - | - | (240,370) | 35 | 107,600 |
| PET Far Eastern (Holding) Ltd. | Far Eastern Union Petrochemical (Yangzhou) Corporation | Equity-method investments | Cash capital increase | (Note B) | - | 1,405,970 | - | 545,558 | - | - | - | - | 23,084 | - | 1,974,612 |
| | Tong Da Air Industry (Yangzhou) Co., Ltd. | Equity-method investments | Cash capital increase | (Note B) | - | - | - | 1,020,489 | - | - | - | - | 27,838 | - | 1,048,327 |
| Far Eastern Polytex (Holding) Ltd. | Far Eastern New Century (China) Investment Ltd. | Equity-method investments | Cash capital increase | (Note A) | - | 2,118,100 | - | 502,400 | - | - | - | - | (296,282) | - | 2,324,218 |
| Sino Belgium (Holding) Ltd. | Sino Belgium (Suzhou) Ltd. | Equity-method investments | Cash capital increase | (Note A) | - | 65,281 | - | 317,400 | - | - | - | - | (235,494) | - | 147,187 |
| Far Eastern General Contractor Co., Ltd. | CTBC Money Market Fund | Financial assets at fair value through profit or loss - current | - | - | - | - | 26,274 | 344,000 | 26,274 | 344,707 | 344,000 | 707 | - | - | - |
| | CTBC Hwa-win Money Market Fund | Financial assets at fair value through profit or loss - current | - | - | - | - | 58,293 | 630,000 | 27,805 | 300,034 | 300,000 | 34 | - | 30,488 | 330,000 |
| | Mirae Asset Solomon Money Market Fund | Financial assets at fair value through profit or loss - current | - | - | - | - | 30,780 | 381,000 | 18,678 | 231,027 | 231,000 | 27 | - | 12,102 | 150,000 |
| | Paradigm Pion Money Market Fund | Financial assets at fair value through profit or loss - current | - | - | - | 2,838 | 32,052 | 24,667 | 280,000 | 27,505 | 312,083 | 312,052 | 31 | - | - |
| | Hua Nan Kirin Money Market Fund | Financial assets at fair value through profit or loss - current | - | - | - | 9,993 | 117,172 | 23,568 | 277,000 | 33,561 | 394,211 | 394,172 | 39 | - | - |
| Far EasTone Telecommunications Co., Ltd. | Yuan Hsin Digital Payment Co., Ltd. | Equity-method investments | Cash capital increase | (Note B) | 9,000 | 78,330 | 36,000 | 360,000 | - | - | - | - | (36,170) | 45,000 | 402,160 |
| | Hiiiir Digital Marketing Co., Ltd. | Equity-method investments | Cash capital increase | (Note A) | 8,000 | 59,580 | 45,726 | 457,260 | - | - | - | - | (104,097) | 53,726 | 412,743 |

- Notes: A. Subsidiary.
B. Equity-method.
C. Subsidiaries of Far Eastern New Century

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

| Company Name | Related Party | Nature of Relationship | Transaction Details | | | | Abnormal Transaction | | Notes Payable or Receivable | | Accounts Payable or Receivable | | Note |
|--|--|--|---------------------|--------------|------------|-------------------|----------------------|---------------|-----------------------------|------------|--------------------------------|------------|------|
| | | | Purchase/Sale | Amount | % to Total | Payment Terms | Unit Price | Payment Terms | Ending Balance | % to Total | Ending Balance | % to Total | |
| Far Eastern New Century Corporation | Far Eastern Industries (Shanghai) Ltd. | (Note D) | Sales | \$ (578,741) | (1) | Based on contract | \$ - | - | \$ - | - | \$ 92,908 | 1 | |
| | Far Eastern Industries (WuXi) Ltd. | (Note D) | Sales | (364,969) | (1) | Based on contract | - | - | - | - | 57,627 | 1 | |
| | Oriental Petrochemical (Taiwan) Co., Ltd. | (Note D) | Purchase | 8,536,321 | 16 | Based on contract | - | - | - | - | (590,773) | (18) | |
| | Oriental Resources Development Ltd. | (Note D) | Purchase | 333,428 | 1 | Based on contract | - | - | - | - | (34,169) | (1) | |
| | Worldwide Polychem (HK) Ltd. | (Note D) | Sales | (1,280,300) | (2) | Based on contract | - | - | - | - | 338,479 | 4 | |
| | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | (Note D) | Purchase | 315,515 | 1 | Based on contract | - | - | - | - | - | - | |
| | Everest Textile Co., Ltd. | (Note A) | Sales | (387,200) | (1) | Based on contract | - | - | 14,413 | 4 | - | - | |
| | Oriental Union Chemical Corp. | (Note A) | Purchase | 1,240,272 | 2 | Based on contract | - | - | - | - | (92,016) | (3) | |
| | Freudenberg Far Eastern Spunweb Co., Ltd. | (Note F) | Sales | (362,237) | (1) | Based on contract | - | - | - | - | 49,828 | 1 | |
| | Pet Far Eastern (M) Sdn. Bhd. | (Note D) | Sales | (174,353) | - | Based on contract | - | - | - | - | 75,659 | 1 | |
| | Fu-Da Transport Corporation | (Note J) | Purchase | 140,800 | - | Based on contract | - | - | - | - | (21,391) | (1) | |
| | Fu-Ming Transport Corporate | (Note J) | Purchase | 107,685 | - | Based on contract | - | - | - | - | (4,466) | - | |
| | Far Eastern Apparel (Holding) Ltd. | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | (Note D) | Purchase | 1,622,357 | 100 | Based on contract | - | - | - | - | (245,046) | (98) |
| Far Eastern Apparel (Suzhou) Ltd. | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | (Note E) | Purchase | 304,407 | 9 | Based on contract | - | - | - | - | (68,437) | (12) | |
| | An Ho Garment (Suzhou) Ltd. | (Note D) | Purchase | 346,930 | 10 | Based on contract | - | - | - | - | (118,510) | (21) | |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Far Eastern Apparel (Holding) Ltd. | (Note C) | Sales | (1,622,357) | (56) | Based on contract | - | - | - | - | 245,046 | 43 | |
| | Far Eastern Apparel (Suzhou) Ltd. | (Note E) | Sales | (304,407) | (10) | Based on contract | - | - | - | - | 68,437 | 12 | |
| | Far Eastern Industries (Shanghai) Ltd. | (Note E) | Purchase | 182,397 | 5 | Based on contract | - | - | - | - | (34,325) | (9) | |
| | Far Eastern Industries (WuXi) Ltd. | (Note E) | Purchase | 112,656 | 3 | Based on contract | - | - | - | - | (36,186) | (10) | |
| | Far Eastern New Century Corporation | (Note C) | Sales | (315,515) | (11) | Based on contract | - | - | - | - | - | - | |
| Far Eastern Industries (Shanghai) Ltd. | Far Eastern Industries (Yangzhou) Ltd. | (Note E) | Sales | (322,307) | (1) | Based on contract | - | - | - | - | - | - | |
| | Far Eastern New Century Corporation | (Note C) | Purchase | 578,741 | 2 | Based on contract | - | - | - | - | (92,908) | (3) | |
| | Far Eastern Polychem Industries Ltd. | (Note C) | Sales | (8,565,718) | (32) | Based on contract | - | - | - | - | 107,897 | 6 | |
| | Oriental Petrochemical (Shanghai) Corp. | (Note E) | Purchase | 6,706,840 | 26 | Based on contract | - | - | (1,146,631) | (92) | (523,767) | (16) | |
| | Wuhan Far Eastern New Material Ltd. | (Note E) | Sales | (864,602) | (3) | Based on contract | - | - | - | - | 257,773 | 14 | |
| | Wuhan Far Eastern New Material Ltd. | (Note E) | Purchase | 208,591 | 1 | Based on contract | - | - | - | - | (72,986) | (2) | |
| | Worldwide Polychem (HK) Ltd. | (Note E) | Sales | (712,858) | (3) | Based on contract | - | - | - | - | 343,423 | 19 | |
| | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | (Note E) | Sales | (182,397) | (1) | Based on contract | - | - | - | - | 34,325 | 2 | |
| Far Eastern Industries (WuXi) Ltd. | Far Eastern New Century Corporation | (Note C) | Purchase | 364,969 | 10 | Based on contract | - | - | - | - | (57,627) | (23) | |
| | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | (Note E) | Sales | (112,656) | (3) | Based on contract | - | - | - | - | 36,186 | 9 | |
| | Oriental Textile (Holding) Ltd. | (Note C) | Sales | (734,713) | (20) | Based on contract | - | - | - | - | 145,925 | 37 | |
| Far Eastern Industries (Suzhou) Ltd. | Far Eastern Yihua Petrochemical (Yangzhou) Corporation | (Note E) | Purchase | 596,623 | 15 | Based on contract | - | - | - | - | - | - | |
| | Oriental Petrochemical (Shanghai) Corp. | (Note E) | Purchase | 1,223,381 | 32 | Based on contract | - | - | (410,850) | (100) | (176,492) | (82) | |
| | Oriental Petrochemical (Taiwan) Co., Ltd. | (Note E) | Purchase | 493,686 | 13 | Based on contract | - | - | - | - | - | - | |
| | Oriental Industries (Suzhou) Ltd. | (Note E) | Sales | (3,277,648) | (88) | Based on contract | - | - | 651,943 | 98 | 268,909 | 96 | |
| Far Eastern Polychem Industries Ltd. | Far Eastern Industries (Shanghai) Ltd. | (Note D) | Purchase | 8,565,718 | 93 | Based on contract | - | - | - | - | (107,897) | (72) | |
| | Pet Far Eastern (M) Sdn. Bhd. | (Note E) | Sales | (1,277,281) | (13) | Based on contract | - | - | - | - | 338,827 | 43 | |

(Continued)

| Company Name | Related Party | Nature of Relationship | Transaction Details | | | | Abnormal Transaction | | Notes Payable or Receivable | | Accounts Payable or Receivable | | Note |
|--|--|------------------------|----------------------|--------------|------------|-------------------|----------------------|---------------|-----------------------------|------------|--------------------------------|------------|------|
| | | | Purchase/Sale | Amount | % to Total | Payment Terms | Unit Price | Payment Terms | Ending Balance | % to Total | Ending Balance | % to Total | |
| | Wuhan Far Eastern New Material Ltd. | (Note E) | Sales | \$ (363,231) | (4) | Based on contract | \$ - | - | \$ - | - | \$ 75,587 | 10 | |
| | Wuhan Far Eastern New Material Ltd. | (Note E) | Purchase | 558,750 | 6 | Based on contract | - | - | - | - | (72,635) | (49) | |
| Far Eastern Industries (Yangzhou) Ltd. | Far Eastern Industries (Shanghai) Ltd. | (Note E) | Purchase | 322,307 | 98 | Based on contract | - | - | - | - | - | - | |
| | Wuhan Far Eastern New Material Ltd. | (Note E) | Sales | (323,483) | (100) | Based on contract | - | - | - | - | 55,790 | 100 | |
| Far Eastern Yihua Petrochemical (Yangzhou) Corporation | Far Eastern Industries (Suzhou) Ltd. | (Note E) | Sales | (596,623) | (100) | Based on contract | - | - | - | - | - | - | |
| | Oriental Petrochemical (Shanghai) Corp. | (Note E) | Purchase | 591,337 | 100 | Based on contract | - | - | - | - | - | - | |
| Oriental Petrochemical (Shanghai) Corp. | Far Eastern Industries (Shanghai) Ltd. | (Note E) | Sales | (6,706,840) | (33) | Based on contract | - | - | 1,146,631 | 38 | 523,767 | 55 | |
| | Far Eastern Industries (Suzhou) Ltd. | (Note E) | Sales | (1,223,381) | (6) | Based on contract | - | - | 410,850 | 14 | 176,792 | 19 | |
| | Far Eastern Yihua Petrochemical (Yangzhou) Corporation | (Note E) | Sales | (591,337) | (3) | Based on contract | - | - | - | - | - | - | |
| | PET Far Eastern (Holding) Ltd. | (Note C) | Purchase | 622,354 | 3 | Based on contract | - | - | - | - | - | - | |
| Oriental Petrochemical (Taiwan) Co., Ltd. | Far Eastern Industries (Suzhou) Ltd. | (Note E) | Sales | (493,686) | (3) | Based on contract | - | - | - | - | - | - | |
| | Far Eastern New Century Corporation | (Note C) | Sales | (8,536,321) | (50) | Based on contract | - | - | - | - | 590,773 | 47 | |
| Oriental Resources Development Ltd. | Far Eastern New Century Corporation | (Note C) | Sales | (333,428) | (54) | Based on contract | - | - | - | - | 36,335 | 65 | |
| | Freudenberg Far Eastern Spunweb Co., Ltd. | (Note H) | Sales | (127,039) | (20) | Based on contract | - | - | - | - | 19,242 | 35 | |
| Oriental Industries (Suzhou) Ltd. | Far Eastern Industries (Suzhou) Ltd. | (Note E) | Purchase | 3,277,648 | 45 | Based on contract | - | - | (651,943) | (100) | (268,909) | (58) | |
| | Oriental Textile (Holding) Ltd. | (Note C) | Sales | (8,536,321) | (42) | Based on contract | - | - | - | - | 555,508 | 42 | |
| Oriental Textile (Holding) Ltd. | Far Eastern Industries (WuXi) Ltd. | (Note D) | Purchase | 734,713 | 17 | Based on contract | - | - | - | - | (145,925) | (20) | |
| | Oriental Industries (Suzhou) Ltd. | (Note D) | Purchase | 3,463,732 | 82 | Based on contract | - | - | - | - | (555,508) | (78) | |
| Fu Kwok Garment Manufacturing Co., Ltd. | Worldwide Polychem (HK) Ltd. | (Note E) | Sales | (217,349) | (10) | Based on contract | - | - | - | - | 141,605 | 76 | |
| PET Far Eastern (Holding) Ltd. | Oriental Petrochemical (Shanghai) Corp. | (Note D) | Sales | (622,354) | (100) | Based on contract | - | - | - | - | - | - | |
| Pet Far Eastern (M) Sdn. Bhd. | Far Eastern Polychem Industries Ltd. | (Note E) | Purchase | 1,227,281 | 71 | Based on contract | - | - | - | - | (338,827) | (69) | |
| | Far Eastern New Century Corporation | (Note C) | Purchase | 174,353 | 10 | Based on contract | - | - | - | - | (75,659) | (15) | |
| An Ho Garment (Suzhou) Ltd. | Far Eastern Apparel (Suzhou) Ltd. | (Note C) | Sales | (346,930) | (100) | Based on contract | - | - | - | - | 118,510 | 100 | |
| Wuhan Far Eastern New Material Ltd. | Far Eastern Industries (Shanghai) Ltd. | (Note E) | Purchase | 864,602 | 45 | Based on contract | - | - | - | - | (257,773) | (58) | |
| | Far Eastern Industries (Shanghai) Ltd. | (Note E) | Sales | (208,591) | (10) | Based on contract | - | - | - | - | 72,986 | 29 | |
| | Far Eastern Polychem Industries Ltd. | (Note E) | Sales | (558,750) | (27) | Based on contract | - | - | - | - | 72,635 | 29 | |
| | Far Eastern Polychem Industries Ltd. | (Note E) | Purchase | 363,231 | 19 | Based on contract | - | - | - | - | (75,587) | (17) | |
| | Far Eastern Industries (Yangzhou) Ltd. | (Note C) | Purchase | 323,483 | 17 | Based on contract | - | - | - | - | (55,790) | (13) | |
| Worldwide Polychem (HK) Ltd. | Far Eastern Industries (Shanghai) Ltd. | (Note E) | Purchase | 712,858 | 32 | Based on contract | - | - | - | - | (343,423) | (36) | |
| | Fu Kwok Garment Manufacturing Co., Ltd. | (Note E) | Purchase | 217,349 | 10 | Based on contract | - | - | - | - | (141,605) | (15) | |
| | Far Eastern New Century Corporation | (Note C) | Purchase | 1,280,300 | 58 | Based on contract | - | - | - | - | (338,479) | (35) | |
| Far Eastern Electronic Toll Collection Co., Ltd. | YDT Technology International Co., Ltd. | (Note E) | Cost of construction | 373,533 | 18 | Based on contract | - | - | - | - | (15,593) | (24) | |
| YDT Technology International Co., Ltd. | Far Eastern Electronic Toll Collection Co., Ltd. | (Note E) | Construction revenue | (373,533) | (81) | Based on contract | - | - | - | - | 15,593 | 39 | |
| Far Eastern General Contractor Co., Ltd. | Ya Tung Ready-mixed Concrete Corp. | (Note J) | Purchase | 778,253 | 15 | Based on contract | - | - | (24,167) | (13) | (166,074) | (15) | |
| | Far Eastern Department Stores Co., Ltd. | (Note H) | Construction revenue | (318,146) | (6) | Based on contract | - | - | - | - | 2,653 | 1 | |
| | Far Eastern Memorial Hospital | (Note I) | Construction revenue | (132,691) | (3) | Based on contract | - | - | - | - | 27,919 | 14 | |
| Far Eastern Fibertech Co., Ltd. | Everest Textile Co., Ltd. | (Note H) | Sales | (273,558) | (13) | Based on contract | - | - | - | - | 20,923 | 15 | |

(Continued)

| Company Name | Related Party | Nature of Relationship | Transaction Details | | | | Abnormal Transaction | | Notes Payable or Receivable | | Accounts Payable or Receivable | | Note |
|---|--|------------------------|---|--------------|--------------------|--------------------|----------------------|---------------|-----------------------------|------------|--------------------------------|------------|------|
| | | | Purchase/Sale | Amount | % to Total | Payment Terms | Unit Price | Payment Terms | Ending Balance | % to Total | Ending Balance | % to Total | |
| Yuan Cheng Human Resources Consultant Corp. | Far EasTone Telecommunications Co., Ltd. | (Note E) | Other operating revenue | \$ (110,616) | (30) | Based on contract | \$ - | - | \$ - | - | \$ 1,787 | 44 | |
| Far EasTone Telecommunications Co., Ltd. | ARCOA Communication Co., Ltd. | (Note D) | Cost of telecommunications services, marketing expenses and cost of sales | 16,280,192 | 27 | Based on agreement | - | - | - | - | (1,559,477) | (10) | |
| | | | Operating revenues | (375,151) | - | Based on agreement | - | - | - | - | 188,938 | 3 | |
| | New Century InfoComrn Co., Ltd. | (Note D) | Operating revenues | (1,069,831) | (1) | Based on agreement | - | - | - | - | 1,888 | - | |
| | | | Cost of telecommunications services | 3,105,102 | 7 | Based on agreement | - | - | - | - | (424,725) | (3) | |
| | KGEx.com. Co., Ltd. | (Note D) | Operating revenues | (148,423) | - | Based on agreement | - | - | - | - | 25,226 | - | |
| | Hiiiir Inc. | (Note D) | Service fee | 117,130 | 1 | Based on agreement | - | - | - | - | (23,006) | - | |
| | Omusic., Ltd. | (Note D) | Cost of telecommunications services | 158,353 | - | Based on agreement | - | - | - | - | (37,543) | - | |
| | DataExpress Infotech Co., Ltd. | (Note D) | Operating revenues | (128,870) | - | Based on agreement | - | - | - | - | 14,469 | - | |
| Far Cheng Human Resource Consultant Corp. | (Note E) | Service fee | 109,517 | 1 | Based on agreement | - | - | - | - | (9,159) | - | | |
| New Century InfoComrn Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note C) | Operating revenues | (3,105,102) | (23) | Based on agreement | - | - | - | - | 424,725 | 30 | |
| | | | Cost of telecommunications services | 1,069,831 | 12 | Based on agreement | - | - | - | - | (1,888) | - | |
| | KGEx.com. Co., Ltd. | (Note E) | Cost of telecommunications services | 106,557 | 1 | Based on agreement | - | - | - | - | (35,209) | (5) | |
| | Sino Lead Enterprise Limited | (Note D) | Cost of telecommunications services | 108,666 | 1 | Based on agreement | - | - | - | - | (23,291) | (3) | |
| ARCOA Communication Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note C) | Operating revenues | (16,280,192) | (78) | Based on agreement | - | - | - | - | 1,559,477 | 95 | |
| | | | Cost of sales and cost of telecommunication services | 375,151 | 2 | Based on agreement | - | - | - | - | (188,938) | (13) | |
| | Home Master Technology Ltd. | (Note E) | Operating revenues | (143,358) | (1) | Based on agreement | - | - | - | - | 35,551 | 2 | |
| KGEx.com. Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note C) | Cost of telecommunications services | 148,423 | 20 | Based on agreement | - | - | - | - | (25,226) | (41) | |
| | New Century InfoComrn Co., Ltd. | (Note E) | Operating revenues | (106,557) | (18) | Based on agreement | - | - | - | - | 35,209 | 32 | |
| Hiiiir Inc. | Far EasTone Telecommunications Co., Ltd. | (Note C) | Service revenues | (117,130) | (39) | Based on agreement | - | - | - | - | 23,006 | 31 | |
| Omusic., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note C) | Operating revenues | (158,353) | (99) | Based on agreement | - | - | - | - | 37,543 | 99 | |
| DataExpress Infotech Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note C) | Cost of sales and cost of telecommunication services | 128,870 | 5 | Based on agreement | - | - | - | - | (14,469) | (4) | |
| Home Master Technology Ltd. | ARCOA Communication Co., Ltd. | (Note E) | Cost of sales | 143,358 | 59 | Based on agreement | - | - | - | - | (35,551) | (82) | |
| Sino Lead Enterprise Limited | New Century InfoComrn Co., Ltd. | (Note C) | Operating revenues | (108,666) | (100) | Based on agreement | - | - | - | - | 23,291 | 77 | |

Notes: A. Equity-method investee.

B. All interconnect revenues, costs and collection of international direct dial revenue between Far EasTone and NCIC were settled at net amounts and were included in accounts payable - related parties.

C. Parent company.

D. Subsidiary.

E. Same ultimate parent company.

F. Equity-method investee equity-method of FENC's subsidiary.

(Continued)

- G. The receivables collected by Far Eastone for NCIC.
- H. Equity-method investee equity-method of FENC.
- I. The chairman of the company is the chairman of FENC.
- J. The chairman of the ultimate parent company is the chairman of FENC.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK

FOR THE YEAR ENDED DECEMBER 31, 2014

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Company Name | Related Party | Relationship | Ending Balance | Turnover Rate | Overdue | | Amounts Received in Subsequent Period | Allowance for Bad Debts |
|--|--|--------------|----------------|---------------|---------|---------------|---------------------------------------|-------------------------|
| | | | | | Amount | Actions Taken | | |
| Far Eastern New Century Corporation | Worldwide Polychem (HK) Ltd. | (Note D) | \$ 338,479 | 2.43 | \$ - | - | \$ 198,772 | \$ - |
| Far Eastern Industries (Shanghai) Ltd. | Far Eastern Polychem Industries Ltd. | (Note E) | 107,897 | 11.42 | - | - | 107,897 | - |
| | Wuhan Far Eastern New Material Ltd. | (Note C) | 257,773 | 2.43 | - | - | 164,960 | - |
| | Worldwide Polychem (HK) Ltd. | (Note C) | 343,423 | 2.96 | - | - | 135,388 | - |
| Far Eastern Industries (WuXi) Ltd. | Oriental Textile (Holding) Ltd. | (Note E) | 145,925 | 5.92 | - | - | 135,729 | - |
| Far Eastern Industries (Suzhou) Ltd. | Oriental Industries (Suzhou) Ltd. | (Note C) | 920,852 | 3.87 | - | - | 920,852 | - |
| Far Eastern Polychem Industries Ltd. | Pet Far Eastern (M) Sdn. Bhd. | (Note C) | 338,827 | 3.49 | - | - | 231,874 | - |
| Far Eastern Apparel (Vietnam) Ltd. | Far Eastern New Century Corporation | (Note E) | 111,910 | 11.38 | - | - | 71,978 | - |
| Oriental Petrochemical (Shanghai) Corp. | Far Eastern Industries (Shanghai) Ltd. | (Note C) | 1,670,398 | 3.82 | - | - | 619,203 | - |
| | Far Eastern Industries (Suzhou) Ltd. | (Note C) | 587,342 | 3.27 | - | - | 343,040 | - |
| Oriental Petrochemical (Taiwan) Co., Ltd. | Far Eastern New Century Corporation | (Note E) | 590,773 | 12.09 | - | - | 572,313 | - |
| Oriental Industries (Suzhou) Ltd. | Oriental Textile (Holding) Ltd. | (Note E) | 555,508 | 6.80 | - | - | 555,508 | - |
| FuKwok Garment Manufacturing Co., Ltd. | Worldwide Polychem (HK) Ltd. | (Note C) | 141,605 | 3.07 | - | - | 132,940 | - |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Far Eastern Apparel Holding Ltd. | (Note E) | 245,046 | 8.75 | - | - | 228,551 | - |
| An Ho Garment (Suzhou) Ltd. | Far Eastern Apparel (Suzhou) Ltd. | (Note E) | 118,510 | 3.01 | - | - | 84,914 | - |
| Far EasTone Telecommunications Co., Ltd. | ARCOA Communication Co., Ltd. | (Note D) | 190,948 | 11.79 | - | - | 159,888 | - |
| | New Century InfoComm Tech Co., Ltd. | (Note D) | 185,093 | (Note B) | - | - | 93,208 | - |
| New Century InfoComm Tech Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note E) | 5,183,228 | (Note G) | - | - | 721,621 | - |
| | Q-ware Communications Co., Ltd. | (Note C) | 242,125 | (Note F) | - | - | 3,793 | - |
| ARCOA Communication Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note E) | 1,559,477 | 12.17 | - | - | 1,527,612 | - |

(Continued)

Notes: A. For the receivables from the financing to affiliates, please refer to Schedule D.

B. The turnover rate was not calculated because the receivables of Far EasTone were the payment made for NCIC's daily operating expenditures and the management service charges to NCIC.

C. Same ultimate parent company.

D. Subsidiary.

E. Parent company.

F. The turnover rate was not calculated because the expenses of Pet Far Eastern (Holding) Ltd. were the payments made for its subsidiary, Far Eastern Polychem Industries Ltd.

G. The turnover rate was not calculated because revenues and the costs due from the Internet hook-up and international phone call services between Far EasTone and NCIC were paid (received) at net amounts, which were recognized under accounts payable to affiliates.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Investor | Investee | Location | Main Businesses and Products | Investment Amount | | Balance as of December 31, 2014 | | | Net Income (Loss) of the Investee | Investment Gain (Loss) | Notes |
|---|--|------------------------------------|---|-------------------|-------------------|---------------------------------|-------------------------|----------------|-----------------------------------|------------------------|---|
| | | | | December 31, 2014 | December 31, 2013 | Shares (Note F) | Percentage of Ownership | Carrying Value | | | |
| Far Eastern New Century Corporation | Asia Cement Corporation | Taiwan | Cement production | \$ 2,652,282 | \$ 2,652,282 | 750,511 | 22.33 | \$ 20,188,007 | \$ 9,362,665 | \$ 1,558,325 | Gain or loss recognized under the treasury stock method, (Note A) |
| | Far Eastern Department Stores Co., Ltd. | Taiwan | Department store operations | 1,254,158 | 1,254,158 | 241,770 | 16.80 | 5,090,002 | 1,503,897 | 252,655 | (Note A) |
| | Oriental Union Chemical Corp. | Taiwan | Petrochemical materials production | 1,176,211 | 1,176,211 | 81,216 | 9.17 | 1,504,072 | 145,933 | 13,382 | (Note A) |
| | Everest Textile Co., Ltd. | Taiwan | Chemical fiber production | 1,689 | 1,689 | 129 | 0.03 | 1,508 | 373,953 | 112 | (Note A) |
| | Oriental Securities Corp. | Taiwan | Broker | 159,823 | 159,823 | 140,278 | 19.65 | 2,067,580 | 326,643 | 64,185 | (Note A) |
| | Pacific Liu Tong Investment Co., Ltd. (Note E) | Taiwan | Investment | 810,000 | 810,000 | 135,000 | 16.83 | 1,843,780 | 792,682 | 133,408 | (Note A) |
| | Yuan Ding Investment Co., Ltd. | Taiwan | Investment | 100,041 | 100,041 | 1,822,822 | 99.40 | 41,067,513 | 5,565,824 | 5,506,388 | Including write off and reversed by sidestream transactions \$(24,694), (Note B) |
| | Far Eastern Resources Development Co. | Taiwan | Real estate leasing and development service | 14,931,733 | 14,931,733 | 557,354 | 100.00 | 96,565,010 | 4,439,772 | 4,439,772 | (Note B) |
| | Far Eastern Polytex (Holding) Ltd. | Bermuda | Investment | 7,678,309 | 7,195,409 | 124 | 100.00 | 8,753,563 | (231,191) | (231,191) | (Note B) |
| | Far Eastern Polychem Industries Ltd. | Bermuda | Investment | 7,318,312 | 7,318,312 | 830,815 | 73.04 | 8,116,141 | (15,679) | (11,452) | (Note B) |
| | Yuan Tong Investment Co., Ltd. | Taiwan | Investment | 5,850,000 | 5,850,000 | 705,147 | 100.00 | 7,932,131 | 188,635 | 188,770 | Including write off and reversed by upstream and sidestream transaction \$135, (Note B) |
| | Kai Yuan International Investment Co., Ltd. | Taiwan | Investment | 999,993 | 999,993 | 302,843 | 100.00 | 5,182,313 | 253,238 | 253,238 | (Note B) |
| | Far Eastern Investment (Holding) Ltd. | Bermuda | Investment | 5,833,333 | 5,833,333 | 1,700 | 100.00 | 8,281,047 | 868,440 | 868,440 | (Note B) |
| | PET Far Eastern (Holding) Ltd. | Bermuda | Investment | 5,811,250 | 4,245,203 | 333 | 90.54 | 6,621,648 | (1,056,971) | (942,181) | Including amortised cost of discounts \$9,727, (Note B) |
| | Oriental Petrochemical (Taiwan) Co., Ltd. | Taiwan | Petrochemical materials production | 9,408,804 | 7,897,641 | 1,032,195 | 75.56 | 6,665,722 | (1,817,730) | (1,409,260) | Including write off and reversed by upstream transactions \$20,035, (Note B) |
| | Far Eastern Construction Co., Ltd. | Taiwan | Real estate construction and selling | 143,450 | 143,450 | 198,791 | 65.11 | 7,097,316 | 365,100 | 239,454 | (Note B) |
| | Yuan Ding Company Ltd. | Taiwan | Real estate construction and selling | 857,511 | 857,511 | 186,929 | 37.13 | 3,365,650 | 506,751 | 106,102 | Including write off by sidestream transactions \$(82,352), (Note B) |
| | An Ho Garment Co., Ltd. | Taiwan | Investment | 1,023 | 1,023 | 66,346 | 100.00 | 1,805,268 | 199,503 | 199,429 | Including write off and reversed by sidestream transactions \$(74), (Note B) |
| | Ding Yuan International Investment Co., Ltd. | Taiwan | Investment | 2,000,062 | 2,000,062 | 205,000 | 100.00 | 2,762,049 | 105,147 | 105,147 | (Note B) |
| | FEDP (Holding) Ltd. | Bermuda | Investment | 676,315 | 676,315 | 244 | 50.43 | 340,899 | (197,420) | (99,559) | (Note B) |
| | Fu Kwok Garment Manufacturing Co., Ltd. | Taiwan | Real Garment production | 9,129 | 9,129 | 3,999 | 99.99 | 193,322 | 17,824 | 17,824 | (Note B) |
| | Ding Ding Hotel Co., Ltd. | Taiwan | Hotel | 393,651 | 393,651 | 19,772 | 19.00 | 103,408 | (295,419) | (56,130) | (Note B) |
| | Far Eastern Textile Ltd. | Taiwan | Chemical fiber production | 1,000 | 1,000 | 100 | 100.00 | 1,308 | 72 | 72 | (Note B) |
| Yuan Ding Investment Co., Ltd. | Asia Cement Corporation | Taiwan | Cement production | 316,556 | 263,935 | 11,045 | 0.33 | 454,258 | 9,362,665 | - | (Note A) |
| | Oriental Union Chemical Corp. | Taiwan | Petrochemical materials production | 1,321,883 | 1,041,479 | 82,169 | 9.28 | 1,727,200 | 145,933 | - | (Note A) |
| | Far Eastern Department Stores Co., Ltd. | Taiwan | Department store operations | 169,831 | 123,123 | 7,307 | 0.51 | 209,634 | 1,503,897 | - | (Note A) |
| | Everest Textile Co., Ltd. | Taiwan | Chemical fiber production | 470,103 | 470,103 | 118,869 | 25.23 | 1,127,366 | 373,953 | - | (Note A) |
| | Far EasTone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 2,723,598 | 2,723,598 | 1,066,658 | 32.73 | 23,742,197 | 11,484,149 | - | (Note B) |
| | Far Eastern Polychem Industries Ltd. | Bermuda | Investment | 1,392,692 | 1,392,692 | 306,644 | 26.96 | 2,995,772 | (15,679) | - | (Note B) |
| | Far Eastern Apparel (Holding) Ltd. | Bermuda | Sale of textile, garments, and clothing | 2,179,442 | 2,179,442 | 111 | 100.00 | 2,565,031 | 174,926 | - | (Note B) |
| | Da Ju Fiber Co., Ltd. | Taiwan | Sale of polychemical products | 263,790 | 263,790 | 23,081 | 41.86 | 1,281,699 | 243,515 | - | (Note A) |
| | Far Eastern Apparel Co., Ltd. | Taiwan | ale of textile, garments, and clothing | 287,984 | 287,984 | 24,736 | 100.00 | 368,392 | 10,839 | - | (Note B) |
| | Yuan Faun Ltd. | Taiwan | PET bottle production and selling | 51,671 | 51,671 | 5,000 | 100.00 | 121,298 | 2,280 | - | (Note B) |
| | Yue Ming Corp. | Taiwan | Trading | 97,852 | 97,852 | 3,671 | 45.50 | 71,112 | 1,521 | - | (Note A) |
| | Yuan Ding Leasing Corp. | Taiwan | Real estate construction and selling | 319,380 | 319,380 | 36,706 | 46.20 | 428,360 | 16,816 | - | (Note A) |
| | Far Eastern Fibertech Co., Ltd. | Taiwan | Nylon production | 585,000 | 585,000 | 88,317 | 100.00 | 1,032,067 | 110,271 | - | (Note B) |
| | Oriental Resources Development Ltd. | Taiwan | Waste recycling and processing | 338,188 | 338,188 | 34,242 | 70.00 | 338,458 | 2,255 | - | (Note B) |
| | Liquid Air Far East Co., Ltd. | Taiwan | Industrial gas production and selling | 504,806 | 504,806 | 86,615 | 35.00 | 1,600,532 | 970,650 | - | (Note A) |
| | Freudenberg Far Eastern Spunweb Co., Ltd. | Taiwan | Production of nonwoven industrial fabrics | 144,786 | 144,786 | 13,052 | 29.80 | 291,836 | 321,322 | - | (Note A) |
| | Oriental Securities Corp. | Taiwan | Broker | 255,424 | 255,424 | 185,247 | 25.96 | 2,836,995 | 326,643 | - | (Note A) |
| | Yuan Ding Company Ltd. | Taiwan | Real estate construction and selling | 188,846 | 188,846 | 64,759 | 12.86 | 1,197,121 | 506,751 | - | (Note B) |
| | Far Eastern International Leasing Corp. | Taiwan | Leasing | 1,012,057 | 1,012,057 | 75,268 | 16.87 | 1,181,183 | 132,017 | - | (Note A) |
| | Oriental Textile (Holding) Ltd. | Bermuda | Investment | 5,842,331 | 5,842,331 | 89 | 100.00 | 7,009,140 | 337,532 | - | (Note B) |
| | Pacific Liu Tong Investment Co., Ltd. (Note E) | Taiwan | Investment | 796,491 | 796,491 | 119,653 | 14.92 | 1,547,871 | 792,682 | - | (Note A) |
| | Yu Yuan Investment Co. | Taiwan | Investment | 673,704 | 673,704 | 98,198 | 18.96 | 964,085 | 1,539,457 | - | (Note A) |
| | Far Eastern General Contractor Co., Ltd. | Taiwan | Real estate construction | 14,682 | 14,682 | 1,490 | 1.00 | 22,710 | 152,905 | - | (Note B) |
| Oriental Petrochemical (Taiwan) Co., Ltd. | Taiwan | Petrochemical materials production | 311,759 | 207,839 | 70,982 | 5.20 | 459,551 | (1,817,730) | - | (Note B) | |

(Continued)

| Investor | Investee | Location | Main Businesses and Products | Investment Amount | | Balance as of December 31, 2014 | | | Net Income (Loss) of the Investee | Investment Gain (Loss) | Notes |
|--|---|---|--|-------------------|-------------------|---------------------------------|-------------------------|----------------|-----------------------------------|------------------------|--------------|
| | | | | December 31, 2014 | December 31, 2013 | Shares (Note F) | Percentage of Ownership | Carrying Value | | | |
| Far Eastern Investment (Holding) Ltd. | FETG Investment Antilles N.V. | Netherlands Antilles | Investment | US\$ 6 | US\$ 6 | 6 | 100.00 | \$ 1,189,407 | \$ 553,456 | \$ - | (Note B) |
| | Filsyn Corporation | Philippines | Polychemical products | PESO 225,324 | PESO 225,324 | 45,066 | 21.85 | - | (12,796) | - | (Note A) |
| | PET Far Eastern (M) Sdn. Bhd. | Malaysia | Bottle production | MYR 8,000 | MYR 8,000 | - | 50.00 | 203,573 | 89,625 | - | (Notes B, C) |
| | Com2B | Cayman Islands | E-business | US\$ 3,375 | US\$ 3,375 | 9,000 | 20.00 | 14,450 | (11,172) | - | (Note A) |
| | Far Eastern Apparel (Vietnam) Ltd. | Vietnam | Clothing production | US\$ 9,000 | US\$ 9,000 | - | 100.00 | 252,377 | (32,756) | - | (Notes B, D) |
| | Worldwide Polychem (HK) Ltd. | Hong Kong | Polyester production | US\$ 3,500 | US\$ 3,500 | 2,700 | 100.00 | 96,279 | (365) | - | (Note B) |
| | Opas Fund Segregated Portfolio Company | Cayman Islands | Investment | US\$ 51 | US\$ 51 | - | 34.00 | 1,646 | 25 | - | (Note A) |
| Ding Yuan International Investment Co., Ltd. | Asia Cement Corporation | Taiwan | Cement production | 375,512 | 375,512 | 13,222 | 0.39 | 511,946 | 9,362,665 | - | (Note A) |
| | Far Eastern Department Stores Co., Ltd. | Taiwan | Department store operations | 54,812 | 53,506 | 2,663 | 0.19 | 73,002 | 1,503,897 | - | (Note A) |
| | Everest Textile Co., Ltd. | Taiwan | Chemical fiber production | 70,428 | 149,480 | 4,226 | 0.90 | 36,969 | 373,953 | - | (Note A) |
| | Oriental Union Chemical Corp. | Taiwan | Petrochemical materials production | 596,353 | 387,687 | 24,581 | 2.78 | 664,248 | 145,933 | - | (Note A) |
| | Far EasTone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 38,457 | 38,457 | 920 | 0.03 | 41,614 | 11,484,149 | - | (Note B) |
| | Pacific Liu Tong Investment Co., Ltd. (Note E) | Taiwan | Investment | 90,000 | 90,000 | 18,000 | 2.24 | 226,538 | 792,682 | - | (Note A) |
| | Yue Ding Industry Co., Ltd. | Taiwan | Department store operations | 95,624 | 95,624 | 10,180 | 13.20 | 307,483 | 127,510 | - | (Note A) |
| Kai Yuan International Investment Co., Ltd. | Asia Cement Corporation | Taiwan | Cement production | 483,448 | 483,448 | 20,207 | 0.60 | 772,043 | 9,362,665 | - | (Note A) |
| | Far EasTone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 793,702 | 793,702 | 34,149 | 1.05 | 1,153,922 | 11,484,149 | - | (Note B) |
| | Oriental Union Chemical Corp. | Taiwan | Petrochemical materials production | 816,803 | 526,597 | 35,524 | 4.01 | 832,482 | 145,933 | - | (Note A) |
| | Far Eastern Department Stores Co., Ltd. | Taiwan | Department store operations | 519,473 | 519,473 | 20,672 | 1.44 | 598,667 | 1,503,897 | - | (Note A) |
| | Kowloon Cement Corp. | Hong Kong | Cement production | 226,896 | 226,896 | 1,127 | 49.00 | 448,282 | 48,472 | - | (Note A) |
| | Far Eastern International Leasing Corp. | Taiwan | Leasing | 1,026,489 | 1,026,489 | 74,970 | 16.80 | 1,181,223 | 132,017 | - | (Note A) |
| | Pacific Liu Tong Investment Co., Ltd. (Note E) | Taiwan | Investment | 90,000 | 90,000 | 18,000 | 2.24 | 226,538 | 792,682 | - | (Note A) |
| Far Eastern Polychem Industries Ltd. | PET Far Eastern (Holding) Ltd. | Bermuda | Investment | US\$ 17,622 | US\$ 17,622 | 35 | 9.46 | 698,377 | (1,056,971) | - | (Note B) |
| | FEDP (Holding) Ltd. | Bermuda | Investment | US\$ 29,240 | US\$ 29,240 | 240 | 49.57 | 335,087 | (197,420) | - | (Note B) |
| | Far Eastern Ishizuka Green Pet Corporation | Japan | PET bottle production and selling | JPY 1,200,000 | JPY 1,200,000 | 120 | 80.00 | 135,910 | (199,122) | - | (Note B) |
| Far Eastern Construction Co., Ltd. | Far Eastern General Contractor Co., Ltd. | Taiwan | Real estate construction | 271,587 | 271,587 | 147,413 | 98.95 | 2,065,732 | 152,905 | - | (Note B) |
| | Asia Cement Corporation | Taiwan | Cement production | 216,959 | 216,959 | 17,727 | 0.53 | 627,920 | 9,362,665 | - | (Note A) |
| Far Eastern Apparel Co., Ltd. | Yue Ding Industry Co., Ltd. | Taiwan | Department store operations | 29 | 29 | 5 | 0.01 | 96 | 127,510 | - | (Note A) |
| Far Eastern General Contractor Co., Ltd. | Far Eastern Technical Consultants Co, Ltd. | Taiwan | Real estate development business consulting and management | 3,864 | 3,864 | 450 | 9.00 | 4,272 | (3,734) | - | (Note B) |
| FETG Investment Antilles N.V. | Waldorf Services B.V. | Netherlands | Investment | US\$ 19 | US\$ 19 | 2 | 100.00 | 1,187,271 | 553,565 | - | (Note B) |
| Waldorf Services B.V. | Cemtex Apparel Inc. | Philippines | Clothing O.E.M. | PESO 9,000 | PESO 9,000 | 90 | 50.00 | (11,627) | (9) | - | (Note A) |
| | Malaysia Garment Manufactures Pte. Ltd. | Singapore | Garment production | SGD 3,000 | SGD 3,000 | 30 | 37.92 | 65,794 | 12,540 | - | (Note A) |
| | Far Eastern International Garments | Philippines | Garment production | US\$ 290 | US\$ 290 | 59 | 41.00 | (12,531) | (394) | - | (Note A) |
| An Ho Garment Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 748,158 | 748,158 | 40,818 | 1.25 | 1,087,829 | 11,484,149 | - | (Note B) |
| | Asia Cement Corporation | Taiwan | Cement production | 206,551 | 206,551 | 6,094 | 0.18 | 262,487 | 9,362,665 | - | (Note A) |
| | Oriental Union Chemical Corp. | Taiwan | Petrochemical materials production | 286,049 | 4,814 | 11,160 | 1.26 | 291,148 | 145,933 | - | (Note A) |
| | Far Eastern Department Stores Co., Ltd. | Taiwan | Department store operations | 10,483 | 10,483 | 370 | 0.03 | 11,732 | 1,503,897 | - | (Note A) |
| | Oriental Securities Corp. | Taiwan | Broker | 95,103 | 95,103 | 5,890 | 0.83 | 91,212 | 326,643 | - | (Note A) |
| | Yue Ding Industry Co., Ltd. | Taiwan | Department store operations | 111,997 | 111,997 | 12,084 | 15.66 | 266,676 | 127,510 | - | (Note A) |
| | Pacific Liu Tong Investment Co., Ltd. (Note E) | Taiwan | Investment | 67,285 | 67,285 | 9,681 | 1.21 | 127,600 | 792,682 | - | (Note A) |
| Yuan Ding Investment Co., Ltd. | Taiwan | Investment | 148,994 | 148,994 | 5,502 | 0.30 | 167,742 | 5,565,824 | - | (Note B) | |
| Yuan Faun Ltd. | Yuan Cheng Human Resources Consultant Corp. | Taiwan | Personnel recruitment | 7,214 | 7,304 | 745 | 55.19 | 12,604 | 4,568 | - | (Note B) |
| Fu Kwok Garment Manufacturing Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 19,663 | 19,663 | 520 | 0.020 | 19,853 | 11,484,149 | - | (Note B) |
| Yuan Tong Investment Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 2,246,035 | 2,246,035 | 100,237 | 3.08 | 2,837,687 | 11,484,149 | - | (Note B) |
| | Far Eastern Department Stores Co., Ltd. | Taiwan | Department store operations | 1,159,521 | 1,159,521 | 39,619 | 2.75 | 1,288,621 | 1,503,897 | - | (Note A) |
| | Oriental Union Chemical Corp. | Taiwan | Petrochemical materials production | 1,511,986 | 1,350,827 | 41,161 | 4.65 | 1,577,874 | 145,933 | - | (Note A) |
| | Asia Cement Corporation | Taiwan | Cement production | 888,648 | 888,648 | 28,579 | 0.85 | 1,193,962 | 9,362,665 | - | (Note A) |
| | Pacific Liu Tong Investment Co., Ltd. (Note E) | Taiwan | Investment | 90,000 | 90,000 | 18,000 | 2.24 | 226,538 | 792,682 | - | (Note A) |
| | Far Eastern Electronic Toll Collection Co., Ltd. | Taiwan | Electronic toll collection service | 787,104 | 787,104 | 77,257 | 11.98 | 328,155 | (340,884) | - | (Note B) |
| | Liquid Air Far East Co., Ltd. | Taiwan | Industrial gas production and selling | 20 | 20 | 1 | - | 23 | 970,650 | - | (Note A) |
| | Sino Belgium (Holding) Ltd. | Bermuda | Investment | 2,191,960 | 1,874,310 | 35 | 93.55 | 107,600 | (272,324) | - | (Note B) |
| Freudenberg Far Eastern Spunweb Co., Ltd. | Taiwan | Production of nonwoven industrial fabrics | 34 | 34 | 1 | - | 31 | 321,322 | - | (Note A) | |
| Yuan Ding Company Ltd. | YDT Technology International Co., Ltd. | Taiwan | Electronic material and relevant by-product sale | 100,000 | 100,000 | 13,992 | 100.00 | 467,219 | 229,617 | - | (Note B) |
| | Ding Ding Integrated Marketing Services Co., Ltd. | Taiwan | Marketing | 240,000 | 240,000 | 9,833 | 60.00 | 119,481 | 26,118 | - | (Note B) |

(Continued)

| Investor | Investee | Location | Main Businesses and Products | Investment Amount | | Balance as of December 31, 2014 | | | Net Income (Loss) of the Investee | Investment Gain (Loss) | Notes |
|---|---|------------------------|--|-------------------|-------------------|---------------------------------|-------------------------|----------------|-----------------------------------|------------------------|----------|
| | | | | December 31, 2014 | December 31, 2013 | Shares (Note F) | Percentage of Ownership | Carrying Value | | | |
| | Far Eastern Technical Consultants Co., Ltd. | Taiwan | Real estate development business consulting and management | \$ 45,182 | \$ 45,182 | 4,550 | 91.00 | \$ 46,367 | \$ (3,734) | \$ - | (Note B) |
| | YDC (Virgin Islands) Ltd. | British Virgin Islands | Investment | US\$ 200 | US\$ 200 | - | 17.70 | 8,078 | 1,118 | - | (Note B) |
| | Ding Ding Hotel Co., Ltd. | Taiwan | Hotel | 645,021 | 645,021 | 64,502 | 61.99 | 337,219 | (295,419) | - | (Note B) |
| | Far Eastern Electronic Commerce Co., Ltd. | Taiwan | Electronic information providing services | 239,130 | 239,130 | 23,913 | 53.08 | 12,866 | (140,294) | - | (Note B) |
| | FET Consulting Engineers Co., Ltd. | Taiwan | Business consulting | 822,701 | 822,701 | 85,000 | 100.00 | 382,286 | (182,782) | - | (Note B) |
| | Asia Cement Corporation | Taiwan | Cement production | 136,037 | 136,037 | 5,329 | 0.16 | 218,349 | 9,362,665 | - | (Note A) |
| | Far EasTone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 100,412 | 100,412 | 4,164 | 0.13 | 113,111 | 11,484,149 | - | (Note B) |
| | Yu Yuan Investment Co. | Taiwan | Investment | 411,187 | 411,187 | 129,637 | 25.02 | 2,060,049 | 1,539,457 | - | (Note A) |
| | Yue Ming Corp. | Taiwan | Trading | 787 | 787 | 81 | 1.00 | 757 | 1,521 | - | (Note A) |
| | Yue Ding Industry Co., Ltd. | Taiwan | Department store operations | 22,676 | 22,676 | 2,000 | 2.59 | 43,735 | 127,510 | - | (Note A) |
| | FEDS Asia Pacific Development Co., Ltd. | Taiwan | Department store operations | 100,000 | 100,000 | 10,500 | 5.00 | 128,195 | 157,149 | - | (Note A) |
| | Far Eastern Electronic Toll Collection Co., Ltd. | Taiwan | Electronic toll collection service | 977,650 | 977,650 | 96,312 | 14.93 | 403,667 | (340,884) | - | (Note B) |
| | Yuan Hsin Digital Payment Co., Ltd. | Taiwan | Other financing and supporting services | 300,000 | 60,000 | 30,000 | 20.00 | 270,810 | (108,833) | - | (Note B) |
| Ding Ding Integrated Marketing Services Co., Ltd. | Far Eastern Electronic Commerce Co., Ltd. | Taiwan | Electronic information providing services | 745 | 745 | 79 | 0.18 | 38 | (140,294) | - | (Note B) |
| | Yuan Hsin Digital Payment Co., Ltd. | Taiwan | Other financing and supporting services | 225,150 | 45,030 | 22,515 | 15.01 | 201,214 | (108,833) | - | (Note B) |
| FET Consulting Engineers Co., Ltd. | DDIM (Virgin Islands) Ltd. | British Virgin Islands | Investment | 384,970 | 384,970 | - | 100.00 | (110,281) | (187,814) | - | (Note B) |
| YDT Technology International Co., Ltd. | Everest Textile Co., Ltd. | Taiwan | Chemical fiber production | 16,173 | 16,173 | 793 | 0.17 | 6,961 | 373,953 | - | (Note A) |
| | Far Eastern Department Stores Co., Ltd. | Taiwan | Department store operations | 51,673 | 51,673 | 2,764 | 0.19 | 98,796 | 1,503,897 | - | (Note A) |
| | Asia Cement Corporation | Taiwan | Cement production | 862 | 862 | 61 | - | 2,473 | 9,362,665 | - | (Note A) |
| | YDC (Virgin Islands) Ltd. | British Virgin Islands | Investment | US\$ 930 | US\$ 930 | 1 | 82.30 | 37,560 | 1,118 | - | (Note B) |
| Far EasTone Telecommunications Co., Ltd. | New Century InfoComm Tech Co., Ltd. | Taiwan | Type I & II telecommunications services | 22,249,283 | 22,249,283 | 2,100,000 | 100.00 | 26,239,882 | 2,430,726 | - | (Note B) |
| | ARCOA Communication Co., Ltd. | Taiwan | Type II telecommunications services, sales of communications products and office equipment | 1,305,802 | 1,295,035 | 82,762 | 61.63 | 1,312,989 | 264,533 | - | (Note B) |
| | KGEx.com Co., Ltd. | Taiwan | Type II telecommunications services | 2,540,442 | 2,540,442 | 112,391 | 99.99 | 891,631 | 36,405 | - | (Note B) |
| | Far Eastern Info Service (Holding) Ltd. | Bermuda | Investment | 92,616 | 92,616 | 1 | 100.00 | 5,768 | (21,775) | - | (Note B) |
| | Yuan Cing Co., Ltd. | Taiwan | Call center services | 101,371 | 101,371 | 19,350 | 99.99 | 126,617 | 15,254 | - | (Note B) |
| | E. World (Holdings) Ltd. | Cayman Islands | Investment | 82,883 | 82,883 | 6,015 | 85.92 | 99,467 | 7,308 | - | (Note B) |
| | Far EasTron Holding Ltd. | Cayman Islands | Investment | 150,000 | 150,000 | 4,487 | 100.00 | 27,048 | 1,458 | - | (Note B) |
| | O-music Co., Ltd. | Taiwan | Electronic information providing services | 25,000 | 25,000 | 2,500 | 50.00 | (30) | 244 | - | (Note B) |
| | Hiiir Digital Marketing Co., Ltd. | Taiwan | Electronic information providing services | 537,260 | 80,000 | 53,726 | 89.54 | 412,743 | (114,397) | - | (Note B) |
| | Q-Ware Communication Co., Ltd. | Taiwan | Type II telecommunications services | 832,038 | 832,038 | 33,983 | 81.46 | (63,123) | (41,513) | - | (Note B) |
| | Far Eastern Electronic Toll Collection Co., Ltd. | Taiwan | Electronic toll collection service | 2,542,396 | 2,542,396 | 254,240 | 39.42 | 696,803 | (340,884) | - | (Note B) |
| | Far Eastern Electronic Commerce Co., Ltd. | Taiwan | Electronic information providing services | 80,893 | 80,893 | 6,691 | 14.85 | 4,304 | (140,294) | - | (Note B) |
| | Ding Ding Integrated Marketing Services Co., Ltd. | Taiwan | Marketing | 60,000 | 60,000 | 2,458 | 15.00 | 30,182 | 26,118 | - | (Note B) |
| | iScreen Corporation | Taiwan | Information services | 100,000 | 100,000 | 4,000 | 40.00 | 16,526 | 2,307 | - | (Note A) |
| | Yuan Hsin Digital Payment Co., Ltd. | Taiwan | Other financing and supporting services | 450,000 | 90,000 | 45,000 | 30.00 | 402,160 | (108,833) | - | (Note B) |
| | Alliance Digital Technology Co., Ltd. | Taiwan | Electronic information providing services | 30,000 | 30,000 | 3,000 | 13.33 | 21,917 | (54,157) | - | (Note A) |
| ARCOA Communication Co., Ltd. | Data Express Infotech Co., Ltd. | Taiwan | Sale of communications products | 141,750 | 141,750 | 12,866 | 70.00 | 198,519 | 30,565 | - | (Note B) |
| New Century InfoComm Tech Co., Ltd. | Ding Ding Integrated Marketing Services Co., Ltd. | Taiwan | Marketing | 20,000 | 20,000 | 819 | 5.00 | 10,061 | 26,118 | - | (Note B) |
| | Far Eastern Electronic Commerce Co., Ltd. | Taiwan | Electronic information providing services | 28,922 | 28,922 | 2,392 | 5.31 | 1,539 | (140,294) | - | (Note B) |
| | New Diligent Co., Ltd. | Taiwan | Investment | 800,000 | 800,000 | 80,000 | 100.00 | 632,736 | (39,093) | - | (Note B) |
| | Information Security Service Digital United Co., Ltd. | Taiwan | Security and monitoring service via Internet | 148,777 | 148,777 | 14,878 | 100.00 | 102,490 | 4,070 | - | (Note B) |
| | Digital United (Cayman) Ltd. | Cayman Islands | Investment | 132,406 | 132,406 | 4,320 | 100.00 | 40,087 | (11,565) | - | (Note B) |
| | Simple InfoComm Co., Ltd. | Taiwan | Type II telecommunications services | 34,000 | 34,000 | 3,400 | 100.00 | 20,904 | 17 | - | (Note B) |
| New Diligent Co., Ltd. | Sino Lead Enterprise Limited | Hong Kong | Telecommunication services | 125 | 125 | - | 100.00 | 225 | (91) | - | (Note B) |
| | Far Eastern New Diligent Co., Ltd. | British Virgin Islands | Investment | 133,048 | 133,048 | - | 100.00 | 125,605 | (44,509) | - | (Note B) |
| Data Express Infotech Co., Ltd. | Linkwell Tech. Ltd. | Taiwan | Sale of communications products | 10,000 | 10,000 | - | 99.99 | 49,782 | 5,880 | - | (Note B) |
| | Home Master Technology Ltd. | Taiwan | Sale of communications products | 9,999 | 9,999 | - | - | (2,937) | (15,825) | - | (Note B) |
| | Jing Yuan Technology Ltd. | Taiwan | Data processing service | - | 10,000 | - | - | - | (20) | - | (Note B) |

Notes: A. Equity-method investee.

B. Subsidiary.

(Continued)

- C. Included 5,000 thousand common shares and 3,000 thousand preferred shares.
- D. A private company.
- E. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.
- F. Shares in thousands.
- G. Investment in mainland china, please refer to Schedule J.
- H. Under the “IFRSs Questions and Answers” issued by Taiwan Stock Exchange Corp. (TWSE), the Company recognized these items as investment properties in its stand-alone financial statements and reclassified them to property, plant and equipment in the consolidated financial statements. The Company used the equity method and share of the profit or loss of associates to adjust the differences between the investment property amounts presented in the stand-alone and consolidated financial statements.
- I. The share value of FENC shares held by Yuan Ding Company Ltd. and the shares of Yuan Ding Company Ltd. were adjusted resulting from investment properties are subsequently measured by the fair value.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

| Investee Company | Main Businesses and Products | Paid-in Capital | Method of Investment (Note A) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2014 | Investment Flows | | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2014 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note B) | Carrying Amount as of December 31, 2014 (Note C) | Accumulated Repatriation of Investment Income as of December 31, 2014 | Note |
|---|---|-----------------|-------------------------------|---|------------------|--------|---|-----------------------------------|--|---------------------------------|--|---|---------------|
| | | | | | Outflow | Inflow | | | | | | | |
| Far Eastern Industries (Shanghai) Ltd. | Manufacture and distribution of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments. | \$ 9,575,934 | 2 | \$ 3,700,967 | \$ - | \$ - | \$ 3,700,967 | \$ 216,878 | 100.00 | \$ 216,878 | \$ 9,164,900 | \$ 853,493 | Notes D and E |
| Far Eastern Apparel (Suzhou) Ltd. | Manufacture and distribution of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories. | 1,041,809 | 2 | 1,010,901 | - | - | 1,010,901 | 14,445 | 100.00 | 14,445 | 1,341,805 | 233,172 | Notes F and G |
| Far Eastern Industries (WuXi) Ltd. | Manufacture and distribution of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, greige woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics. | 2,451,889 | 2 | 2,018,430 | - | - | 2,018,430 | (42,847) | 100.00 | (42,847) | 3,335,942 | 246,378 | Notes H and I |
| Oriental Petrochemical (Shanghai) Corp. | Manufacture and distribution of PTA and its by-products. | 7,648,271 | 2 | 2,976,148 | - | - | 2,976,148 | (1,787,402) | 61.35 | (1,096,571) | 4,890,155 | 1,064,005 | Note J |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Manufacture and distribution of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps. | 1,880,523 | 2 | 1,342,854 | - | - | 1,342,854 | 141,145 | 100.00 | 141,145 | 2,284,054 | 92,719 | Notes H and S |
| Far Eastern Industries (Suzhou) Ltd. | Manufacture and distribution of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn. | 2,008,328 | 2 | 1,765,319 | - | - | 1,765,319 | (224,229) | 100.00 | (224,229) | 435,766 | - | Note K |
| Wuhan Far Eastern New Material Ltd. | Manufacture and distribution of PET chips, PET performs and garments and its by-products | 871,060 | 2 | 724,110 | - | - | 724,110 | 40,791 | 100.00 | 40,791 | 1,024,422 | - | |
| Oriental Industries (Suzhou) Ltd. | Manufacture and distribution of PET performs and high-value engineered textiles industrial woven fabrics and scraps | 4,261,641 | 2 | 3,656,977 | - | - | 3,656,977 | 384,180 | 100.00 | 384,180 | 4,203,183 | - | Note H |
| Far Eastern New Century (China) Investment Ltd. | Investment | 2,396,946 | 2 | 1,606,525 | 482,900 | - | 2,089,425 | (5,730) | 100.00 | (5,730) | 2,324,218 | - | |

| Investee Company | Main Businesses and Products | Paid-in Capital | Method of Investment (Note A) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2014 | Investment Flows | | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2014 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note B) | Carrying Amount as of December 31, 2014 (Note C) | Accumulated Repatriation of Investment Income as of December 31, 2014 | Note |
|--|--|-----------------|-------------------------------|---|------------------|--------|---|-----------------------------------|--|---------------------------------|--|---|---------------|
| | | | | | Outflow | Inflow | | | | | | | |
| Sino Belgium (Suzhou) Ltd. | Brewery | \$ 1,941,048 | 2 | \$ 1,446,552 | \$ 317,400 | \$ - | \$ 1,763,952 | \$ (224,229) | 100.00 | \$ (224,229) | \$ 147,187 | \$ - | Note L |
| Martens Beers Trading (Shanghai) Ltd. | Brewery | 368,219 | 2 | 200,473 | - | - | 200,473 | (10,022) | 100.00 | (10,022) | 55,692 | - | Note L |
| Far Eastern Yihua Petrochemical (Yangzhou) Corporation | PA and its by-product production and sale | 7,401,191 | 2 | 4,181,323 | - | - | 4,181,323 | 2,339 | 60.00 | 1,403 | 4,468,806 | - | |
| Far Eastern Industries (Yangzhou) Ltd. | PA and its by-product production | 1,573,085 | 2 | 1,436,190 | - | - | 1,436,190 | 12,452 | 100.00 | 12,452 | 1,570,777 | - | |
| Far Eastern Union Petrochemical (Yangzhou) Corporation | PA and its by-product production | 4,156,043 | 2 | 1,417,350 | 545,558 | - | 1,962,908 | (121,983) | 50.00 | (60,992) | 1,974,612 | - | |
| Shanghai Yuan Zi Information Co., Ltd. | Software development, equipment maintenance and consulting | 64,726 | 3 | - | - | - | - | 112 | 100.00 | 112 | 67,776 | - | |
| Shanghai Far Eastern Petrochemical Logistic Ltd. | Transportation | 96,758 | 3 | - | - | - | - | 7,377 | 100.00 | 7,377 | 126,360 | - | |
| An Ho Garment (Suzhou) Ltd. | Garment production | 5,093 | 3 | - | - | - | - | (4,564) | 100.00 | (4,564) | 50,247 | - | |
| Yuan Ding Enterprise (Shanghai) Ltd. | Software development | 539,805 | 3 | - | - | - | - | (159,351) | 100.00 | (159,351) | 539,805 | - | |
| Tong Da air Industry (Yangzhou) Co., Ltd. | Liquid oxygen,oxygen, nitrogen and hydrogen warehousing | 2,095,432 | 2 | - | 1,020,489 | - | 1,020,489 | (1,177) | 50.00 | (589) | 1,048,327 | - | |
| Yuan Ding Integrated Information Service (Shanghai) Inc. | Computer software and internet software design and development | 410,726 | 2 | 240,330 | - | - | 240,330 | (189,376) | 100.00 | (189,376) | (111,914) | - | Note M |
| Speedy (Shanghai) Digital Tech. Co., Ltd. | Intelligent control equipment and security monitoring products and services | 33,301 | 2 | 24,220 | - | - | 24,220 | 3,044 | 100.00 | 3,044 | 44,911 | - | Note N |
| Far Eastern Tech-info Ltd. (Shanghai) | Computer software, data processing and provision of network information | 189,900 | 2 | 92,616 | 110,775 | - | 203,391 | (4,402) | 100.00 | (4,402) | 160,357 | - | Note O |
| Digital United Information Technologies (Shanghai) Ltd. | Research and design of computer system | 98,115 | 2 | 98,115 | - | - | 98,115 | (12,542) | 100.00 | (12,542) | 18,641 | - | Note P |
| Far Eastern New Century Information Technology (Beijing) Limited | Electronic information providing services | 164,580 | 2 | 126,600 | - | - | 126,600 | (55,801) | 79.04 | (44,104) | 180,354 | - | Note R |
| New Diligence Corporation (Shanghai) | Consulting services, supporting services, and wholesale of machinery and equipment | 35,670 | 1 | 35,670 | - | - | 35,670 | - | - | - | - | - | Notes Q and R |

| Investee Company | Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2014 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA |
|---|---|--|---|
| Far Eastern New Century Co., Ltd. (Notes T and U) | \$ 19,458,065 | \$ 25,073,813 | \$ - |

(Continued)

- Notes: A. Investment type as follows:
1. The Group made the investment directly.
 2. The Group made the investment through a company registered in a third region. The companies registered in a third region are Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd. and Far Eastern New Diligent Company Ltd.
 3. Other.
- B. Recognition of gains/losses was based on the following three information:
1. Financial statements of these companies, which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm: Far Eastern Industries (Shanghai) Ltd., Sino Belgium (Suzhou) Limited, Far Eastern Apparel (Suzhou) Ltd., Oriental Petrochemical (Shanghai) Corp., Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd., Far Eastern Industries (Suzhou) Ltd., Wuhan Far Eastern New Material Ltd., Far Eastern Industries (WuXi) Ltd. and Oriental Industries (Suzhou) Ltd.
 2. Financial statements of these companies, which were audited by the parent company's accounting firm: Far Eastern Tech-info Ltd. (Shanghai), Digital United Information Technology (Shanghai) Co., Ltd., New Diligence Tech-info (Shanghai) Ltd. and Far Eastern New Century Information Technology (Beijing) Limited.
 3. Others: Far Eastern New Century (China) Investment Ltd., Martens Beers Trading (Shanghai) Ltd., Yuan Ding Integrated Information Service (Shanghai) Inc., Speedy (Shanghai) Digital Tech. Co., Ltd., Far Eastern Yihua Petrochemical (Yangzhou) Corporation, Far Eastern Industries (Yangzhou) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation., Shanghai Yuan Zi Information Co., Ltd., Shanghai Far Eastern Petrochemical Logistic Ltd., An Ho Garment (Suzhou) Ltd., Suqian Far Eastern Apparel Co., Ltd. and Yuan Ding Enterprise (Shanghai) Ltd.
- C. The ending balance of investment recognized by parent company.
- D. As of December 31, 2014, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.
- E. As of December 31, 2014, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd. received by FENC and Yuan Ding Investment Co., Ltd.
- F. As of December 31, 2014, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand which NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.
- G. As of December 31, 2014, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Ltd. remitted through an FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.
- H. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.
- I. As of December 31, 2014, the profit of investment was cash dividend paid by Far Eastern Industries (WuXi) Ltd. remitted through an FENC subsidiaries, Oriental Textile (Holding) Ltd.
- J. As of December 31, 2014, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corp. remitted through an FENC subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.
- K. As of December 31, 2014, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Corporation.
- L. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, Yuan Tong Investment Corporation.
- M. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, YDT Technology International Co., Ltd. and FET Consulting Engineers Co., Ltd.
- N. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, YDT Technology International Co., Ltd.
- O. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, Far EasTone Telecommunications Co., Ltd.
- P. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, New Century InfoComm Tech Co., Ltd.
- Q. On June 27, 2012, New Diligence Corporation (Shanghai) remitted back to Taiwan US\$73,000, the investment registered with the Investment Commission of the MOEA, and wrote off this same amount.
- R. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, New Diligent Co., Ltd.
- S. As of December 31, 2014, the profit of investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. remitted through an FENC subsidiaries, Far Eastern Apparel (Holding) Ltd.
- T. Investment amounts authorized by Investment Commission, MOEA were included by US\$778,755 thousand, RMB77,000 thousand and RMB6,695 thousand which was the original investment from Far Eastern Polytex (Holding) Ltd. and approved by Investment Commission under the Ministry of Economic Affairs.
- U. Based on MOEA Approval Letter No. 10001153440, there is no cap on the amount of the Company's investment.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of U.S. Dollars)**

| Investee Company | Authorized by Investment Commission, MOEA | | | | Investment Type | | | | |
|---|---|-------------------------------------|-----------------------------|--|--------------------------------------|--------------------------------|--|---|---|
| | Investor Company | Date | MOEA Approval Letter No. | Through Investor Company in Third Area | Investment Amount (US\$) | Investor Company's Own Capital | Investor Company in Third Area Using Dividends Received from Investee (US\$) | Financed from Financial Institutions in Third Area (US\$) | Investor Company in Third Area Using Its Own Capital to Invest (US\$) |
| Far Eastern Industries (Shanghai) Ltd. | Far Eastern New Century Corporation | 1996.07.09 | No. 84015136 | Far Eastern Polychem Industries Ltd. | \$ 6,000 | \$ 6,000 | | | |
| | Yuan Ding Investment Co., Ltd. | | | Far Eastern Polychem Industries Ltd. | 24,000 | 24,000 | | | |
| | Far Eastern New Century Corporation | 2004.12.29 | No. 093032400 | Far Eastern Polychem Industries Ltd. | 1,712 | | \$ 1,712 | | |
| | Far Eastern New Century Corporation | 2004.12.30 | No. 093032090 | Far Eastern Polychem Industries Ltd. | 1,540 | | | \$ 1,540 | |
| | Far Eastern New Century Corporation | 2004.11.03 | No. 093032240 | Far Eastern Polychem Industries Ltd. | 3,879 | | 3,879 | | |
| | Yuan Ding Investment Co., Ltd. | 2004.12.29 | No. 093032402 | Far Eastern Polychem Industries Ltd. | 7,014 | | 7,014 | | |
| | Yuan Ding Investment Co., Ltd. | 2004.11.02 | No. 093032239 | Far Eastern Polychem Industries Ltd. | 15,898 | | 15,898 | | |
| | Yuan Ding Investment Co., Ltd. | 2004.12.29 | No. 093032089 | Far Eastern Polychem Industries Ltd. | 6,313 | | | 6,313 | |
| | Far Eastern New Century Corporation | 2006.11.01 | No. 09500287850 | Far Eastern Polychem Industries Ltd. | 31,779 | 31,779 | | | |
| | Far Eastern New Century Corporation | 2008.06.27 | No. 09700163440 | Far Eastern Polychem Industries Ltd. | 56,000 | 56,000 | | | |
| | Far Eastern New Century Corporation | 2008.04.18 | No. 09700045490 | Far Eastern Polychem Industries Ltd. | 4,800 | 4,800 | | | |
| | | | | | 8,198 (Note E) | | | | |
| | | Far Eastern New Century Corporation | 2010.04.19 | No. 09900142680 (Note D) | Far Eastern Polychem Industries Ltd. | 11,500 | 11,500 | | |
| Far Eastern Apparel (Suzhou) Ltd. | Yuan Ding Investment Co., Ltd. | 1996.10.16 | No. 85016219 | Far Eastern Apparel (Holding) Ltd. | 10,000 | 10,000 | | | |
| | Yuan Ding Investment Co., Ltd. | 2003.10.30 | No. 092033299 | Far Eastern Apparel (Holding) Ltd. | 5,000 | 5,000 | | | |
| | Far Eastern New Century Corporation | 2006.05.23 | No. 09500112650 | Far Eastern Polytex (Holding) Ltd. | 11,000 | 11,000 | | | |
| | Far Eastern New Century Corporation | 2008.03.31 | No. 09700038490 | Far Eastern Polytex (Holding) Ltd. | 5,000 | 5,000 | | | |
| Far Eastern Industries (WuXi) Ltd. | Yuan Ding Investment Co., Ltd. | 2002.06.21 | No. 091011903 | Oriental Textile (Holding) Ltd. | 19,960 | 19,960 | | | |
| | Yuan Ding Investment Co., Ltd. | 2005.11.03 | No. 094024169 | Oriental Textile (Holding) Ltd. | 40,000 | 40,000 | | | |
| Oriental Petrochemical (Shanghai) Corp. | Far Eastern New Century Corporation | 2009.11.17 | No. 09800408170 (Note B) | Far Eastern Polychem Industries Ltd. | 1,228 | | | | 1,228 |
| | Yuan Ding Investment Co., Ltd. | 2009.11.17 | No. 09800408160 (Note C) | PET Far Eastern (Holding) Ltd. Far Eastern Polychem Industries Ltd. | 6,592 | | | | 6,592 |
| | Far Eastern New Century Corporation | 2008.06.27 | No. 09700163430 | PET Far Eastern (Holding) Ltd. PET Far Eastern (Holding) Ltd. | 49,500 | 49,500 | | | |

(Continued)

| Investee Company | Authorized by Investment Commission, MOEA | | | | Investment Type | | | | |
|--|---|--------------------------------|-----------------------------|---|--|--------------------------------|--|---|---|
| | Investor Company | Date | MOEA Approval Letter No. | Through Investor Company in Third Area | Investment Amount (US\$) | Investor Company's Own Capital | Investor Company in Third Area Using Dividends Received from Investee (US\$) | Financed from Financial Institutions in Third Area (US\$) | Investor Company in Third Area Using Its Own Capital to Invest (US\$) |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Far Eastern New Century Corporation | 2008.04.18 | No. 09700045500 | Far Eastern Polychem Industries Ltd. PET Far Eastern (Holding) Ltd. | \$ 4,800 2,936 (Note F) | \$ 4,800 | | | |
| | Far Eastern New Century Corporation | 2009.12.25 | No. 09800456740 | PET Far Eastern (Holding) Ltd. | 41,171 | 41,171 | | | |
| | Yuan Ding Investment Co., Ltd. | 2003.10.31 | No. 092033525 | Far Eastern Apparel (Holding) Ltd. | 20,000 | 20,000 | | | |
| | Yuan Ding Investment Co., Ltd. | 2008.10.13 | No. 09700348610 | Far Eastern Apparel (Holding) Ltd. | 30,000 | 30,000 | | | |
| | Far Eastern Industries (Suzhou) Ltd. | Yuan Ding Investment Co., Ltd. | 2002.11.26 | No. 091035216 | Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd. | 9,352 | | | \$ 9,352 |
| | Far Eastern New Century Corporation | 2004.10.11 | No. 093025506 | Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd. | 1,569 | | | \$ 1,569 | |
| | Far Eastern New Century Corporation | 2004.10.14 | No. 093030298 | Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd. | 713 | | | | 713 |
| | Far Eastern New Century Corporation | 2010.10.12 | No. 09900403430 (Note H) | FEDP (Holding) Ltd. | 5,288 | 5,288 | | | |
| | Far Eastern New Century Corporation | 2006.11.01 | No. 09500287850 | Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd. | 4,524 | 4,524 | | | |
| | Far Eastern New Century Corporation | 2008.04.18 | No. 09700045510 | Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd. | 4,800 754 (Note G) | 4,800 | | | |
| Oriental Industries (Suzhou) Ltd. | Far Eastern New Century Corporation | 2010.12.29 | No. 09900470520 (Note I) | FEDP (Holding) Ltd. | 18,224 | 18,224 | | | |
| | Yuan Ding Investment Co., Ltd. | 2005.08.01 | No. 094015006 | Oriental Textile (Holding) Ltd. | 19,800 | 19,800 | | | |
| | Yuan Ding Investment Co., Ltd. | 2006.02.09 | No. 094037416 | Oriental Textile (Holding) Ltd. | 30,200 | 30,200 | | | |
| | Yuan Ding Investment Co., Ltd. | 2007.10.02 | No. 09600280400 | Oriental Textile (Holding) Ltd. | 23,000 | 23,000 | | | |
| | Yuan Ding Investment Co., Ltd. | 2008.09.01 | No. 09700172130 | Oriental Textile (Holding) Ltd. | 32,500 | 32,500 | | | |
| | Yuan Ding Investment Co., Ltd. | 2013.04.29 | No. 10200127470 | Oriental Textile (Holding) Ltd. | 8,000 | 8,000 | | | |
| Wuhan Far Eastern New Material Ltd. | Yuan Ding Investment Co., Ltd. | 2014.09.11 | No. 10300223190 (Note T) | Oriental Textile (Holding) Ltd. | 43,000 | 43,000 | | | |
| | Far Eastern New Century Corporation | 2006.05.19 | No. 09500090070 | Far Eastern Polytex (Holding) Ltd. | 12,000 | 12,000 | | | |
| | Far Eastern New Century Corporation | 2009.06.29 | No. 09800135640 | Far Eastern Polytex (Holding) Ltd. | 10,000 | 10,000 | | | |
| Far Eastern New Century (China) Investment Ltd. (Note A) | Far Eastern New Century Corporation | 2010.12.21 | No. 09900470530 | Far Eastern Polytex (Holding) Ltd. | RMB 6,695 | | | | RMB 6,695 |
| | Far Eastern New Century Corporation | 2006.08.01 | No. 09500124430 | Far Eastern Polytex (Holding) Ltd. | 48,000 | 48,000 | | | |
| Sino Belgium (Suzhou) Ltd. | Far Eastern New Century Corporation | 2007.08.02 | No. 09500124430 | Far Eastern Polytex (Holding) Ltd. | 48,000 | 48,000 | | | |
| | Yuan Tong Investment Co., Ltd. | 2007.08.02 | No. 09600248620 | Sino Belgium (Holding) Ltd. | 18,000 | 18,000 | | | |
| | Yuan Tong Investment Co., Ltd. | 2008.02.21 | No. 09600451060 | Sino Belgium (Holding) Ltd. | 12,000 | 12,000 | | | |

(Continued)

| Investee Company | Authorized by Investment Commission, MOEA | | | | Investment Type | | | | | |
|--|---|--------------------------------|--------------------------|---|--|--------------------------------|--|---|---|--|
| | Investor Company | Date | MOEA Approval Letter No. | Through Investor Company in Third Area | Investment Amount (US\$) | Investor Company's Own Capital | Investor Company in Third Area Using Dividends Received from Investee (US\$) | Financed from Financial Institutions in Third Area (US\$) | Investor Company in Third Area Using Its Own Capital to Invest (US\$) | |
| Martens Beers Trading (Shanghai) Ltd. | Yuan Tong Investment Co., Ltd. | 2011.10.27 | No. 10000446910 (Note L) | Sino Belgium (Holding) Ltd. Bockhold N.V Martens HK Ltd. | \$ 16,000 | \$ 16,000 | | | | |
| | Yuan Tong Investment Co., Ltd. | 2014.12.19 | No. 10300249370 (Note S) | Sino Belgium (Holding) Ltd. | 38 | 38 | | | | |
| | Yuan Tong Investment Co., Ltd. | 2014.12.19 | No. 10300249370 (Note S) | Sino Belgium (Holding) Ltd. | 10,000 | 10,000 | | | | |
| | Yuan Tong Investment Co., Ltd. | 2008.12.10 | No. 09700456110 | Sino Belgium (Holding) Ltd. | 3,800 | 3,800 | | | | |
| | Yuan Tong Investment Co., Ltd. | 2010.07.29 | No. 09900284200 | Bockhold N.V Martens HK Ltd. | 4,304 | | | | \$ 4,304 | |
| | | | 2011.10.27 | No. 10000446910 (Note L) | Sino Belgium (Holding) Ltd. Sino Belgium (Holding) Ltd. | 1,500 | 1,500 | | | |
| | | | | | Bockhold N.V Martens HK Ltd. | 282 | 282 | | | |
| | | Yuan Tong Investment Co., Ltd. | 2013.11.28 | No. 10200451570 (Note N) | Sino Belgium (Holding) Ltd. | 1,100 | 1,100 | | | |
| | Yuan Tong Investment Co., Ltd. | 2014.12.19 | No. 10300249370 (Note S) | Sino Belgium (Holding) Ltd. | 1,000 | 1,000 | | | | |
| Far Eastern Tech-Info Ltd. (Shanghai) | Far EastTone Telecommunications Co., Ltd. | 2004.08.26 | No. 093018811 | Far Eastern Info Service (Holding) Limited | 2,500 | 2,500 | | | | |
| Far Eastern Yihua Petrochemical (Yangzhou) Corporation | Far Eastern New Century Corporation | 2011.06.23 | No. 10000021360 (Note J) | Far Eastern Polytex (Holding) Ltd. | 166,000 | 166,000 | | | | |
| Far Eastern Industries (Yangzhou) Ltd. | Far Eastern New Century Corporation | 2012.03.30 | No. 10100043080 | Far Eastern Polychem Industries Ltd. | 49,000 | 49,000 | | | | |
| Far Eastern Union Petrochemical (Yangzhou) Corporation | Far Eastern New Century Corporation | 2012.08.31 | No. 10100115020 (Note M) | PET Far Eastern (Holding) Ltd. | 100,000 | 100,000 | | | | |
| Yuan Ding Enterprise (Shanghai) Ltd. | Far Eastern New Century Corporation | 2013.11.08 | No. 10200399280 | Far Eastern Polytex (Holding) Ltd. | 1,000 | 1,000 | | | | |
| | Far Eastern New Century Corporation | 2014.01.28 | No. 10200399290 (Note R) | Far Eastern New Century (China) Investment Ltd. Far Eastern Polytex (Holding) Ltd. | 82,340 | 82,340 | | | | |
| | Far Eastern New Century Corporation | 2014.01.28 | No. 10200399290 (Note R) | Far Eastern New Century (China) Investment Ltd. | | | | | | |
| Far Eastern E-Resource (Yangzhou) Ltd. | Far Eastern New Century Corporation | 2013.12.26 | No. 10200417560 (Note O) | Far Eastern Polytex (Holding) Ltd. | RMB 77,000 | RMB 77,000 | | | | |

(Continued)

| Investee Company | Authorized by Investment Commission, MOEA | | | | Investment Type | | | | |
|--|---|------------|--------------------------|---|--------------------------|--------------------------------|--|---|---|
| | Investor Company | Date | MOEA Approval Letter No. | Through Investor Company in Third Area | Investment Amount (US\$) | Investor Company's Own Capital | Investor Company in Third Area Using Dividends Received from Investee (US\$) | Financed from Financial Institutions in Third Area (US\$) | Investor Company in Third Area Using Its Own Capital to Invest (US\$) |
| Tong Da air Industry (Yangzhou) Co., Ltd. | Far Eastern New Century Corporation | 2014.01.28 | No. 10300203670 (Note Q) | PET Far Eastern (Holding) Ltd. | \$ 33,500 | \$ 33,500 | | | |
| Yuan Ding Integrated Information Service (Shanghai) Inc. | YDT Technology International Co., Ltd. | 2011.10.19 | No. 10000429550 | YDC (Virgin Islands) Ltd. | 110 | 110 | | | |
| | FET Consulting Engineers Co., Ltd. | 2011.11.03 | No. 10000439470 | DDIM (Virgin Islands) Ltd. | 8,100 | 8,100 | | | |
| Speedy (Shanghai) Digital Tech. Co., Ltd. | YDT Technology International Co., Ltd. | 2004.02.11 | No. 093003471 | YDC (Virgin Islands) Ltd. | 300 | 300 | | | |
| Far Eastern Tech-Info Ltd. (Shanghai) | Far EasTone Telecommunications Co., Ltd. | 2005.02.05 | No. 094003122 | YDC (Virgin Islands) Ltd. | 500 | 500 | | | |
| | | 2004.08.26 | No. 093018811 | Far Eastern Info Service (Holding) Ltd. | 2,500 | 2,500 | | | |
| | New Diligent Co., Ltd. | 2014.01.29 | No. 10300022990 | Far Eastern New Diligent Company Ltd. | 3,500 | 3,500 | | | |
| Digital United Information Technologies (Shanghai) Co., Ltd. | New Century InfoComm Tech Co., Ltd. | 2002.10.07 | No. 091041498 | Digital United (Cayman) Ltd. | 3,100 | | | | \$ 3,100 |
| | New Century InfoComm Tech Co., Ltd. | 2013.08.09 | No. 10200302730 | Digital United (Cayman) Ltd. | 1,000 | 1,000 | | | |
| New Diligence Corporation (Shanghai) | New Diligent Co., Ltd. | 2007.08.08 | No. 09600261870 | New Diligent Co., Ltd. (Note P) | 1,127 | 1,127 | | | |
| Far Eastern New Century Information Technology (Beijing) Limited | New Diligent Co., Ltd. | 2012.11.19 | No. 10100496420 | Far Eastern New Diligent Company Ltd. | 4,000 | 4,000 | | | |

Notes: A. Far Eastern New Century (China) Investment Ltd. invested US\$30,000 thousand in Far Eastern Industries (Shanghai) Ltd. and US\$16,000 thousand in Oriental Petrochemical (Shanghai) Ltd.

B. Document No. 092035971 has been canceled and replaced with document No. 09800408170.

C. Document No. 092035970 has been canceled and replaced with document No. 09800408160.

D. The approved amount of US\$12,000 thousand as stated in document No. 09800283970 dated September 18, 2009 had been changed to US\$11,500 thousand while awaiting the completion of the-review process on April 19, 2010.

E. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership of and amount invested in Far Eastern Industry (Shanghai) Ltd. increased.

F. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership of and amount invested in Oriental Petrochemical (Shanghai) Ltd. increased.

G. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership of and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.

H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly though Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd. under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only though FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).

(Continued)

- I. After obtaining MOEA approval (No. 09900470520), FENC received from FEDP (Holding) Ltd. the equity of Yuan Tong Investment Co., Ltd. amounting US\$18,224 thousand. (MOEA approval No. 09600243260).
- J. After obtaining MOEA approval (No. 10000021360), FENC made its subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US\$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation. As of December 31, 2014, FENC paid US\$139,400 thousand in this indirect investment.
- K. After obtaining the MOEA's approval (Letter No. 10000380580), FENC made its subsidiary, Far Eastern Polychem Industries Ltd. indirectly invest RMB136,000 thousand in Far Eastern Industries (Shanghai) Ltd. However, as of December 31, 2013, FEPI had remitted this indirect investment of RMB136,000 thousand back to Taiwan and the prior approval of the MOEA had been obtained on August 8, 2013.
- L. After obtaining MOEA approval (No. 10000446910), FENC made its subsidiary, Sino Belgium (Holding) Ltd., indirectly invest US\$17,820 thousand in Sino Belgium (Suzhou) Limited and Martens Beers Trading (Shanghai) Ltd. As of December 31, 2014, FENC remitted US\$17,500 thousand as its indirect investment.
- M. After obtaining MOEA approval (No. 10100115020), FENC made its subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$100,000 thousand in Far Eastern Union Petrochemical (Yangzhou) Ltd. As of December 31, 2014, FENC remitted US\$66,000 thousand to this indirect investment.
- N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary Yuan Tong Investment Co., Ltd. made its subsidiary, Sino Belgium (Holding) Ltd., indirectly invest US\$1,100 thousand in Martens Beers Trading (Shanghai) Ltd. As of December 31, 2014, FENC remitted US\$1,065 thousand to this indirect investment.
- O. After obtaining MOEA approval (No. 10200417560), FENC made its subsidiary, Far Eastern Polytex (Holding) Ltd. indirectly invest RMB77,000 thousand in Far Eastern E-Resource (Yangzhou) Ltd. As of November 11, 2014, board of directors had canceled this indirect investment.
- P. On June 27, 2012, New Diligence Corporation (Shanghai) remitted back to Taiwan US\$73 thousand, the investment registered with the MOEA's Investment Commission, which then canceled this amount.
- Q. FENC reduced invest amount to US\$33,500 after replacing document No. 10300203670 with document No. 10200478110. FENC made its subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest Tong Da Air Industry (Yangzhou) Co., Ltd.
- R. After obtaining MOEA approval (No. 10200399290), FENC made it subsidiary, Far Eastern Polytex (Holding) Ltd. and Far Eastern New Century (China) Investment Ltd., indirectly invest US\$82,340 thousand in Yuan Ding Enterprise (Shanghai) Ltd. As of December 31, 2014, FENC remitted US\$16,625 thousand as its indirect investment.
- S. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Co., Ltd. made its subsidiary, Sino Belgium (Holding) Ltd. indirectly invest US\$11,000 thousand in Sino Belgium (Suzhou) Limited and Martens Beers Trading (Shanghai) Ltd. As of December 31, 2014, FENC remitted US\$1,000 thousand to this indirect investment.
- T. After replacing document No. 10300140570 with document No. 10300223190, FENC's subsidiary Yuan Ding Investment Co., Ltd. made its subsidiary, Oriental Textile (Holding) Ltd., indirectly invest US\$43,000 thousand or equal amount currency of RMB in Oriental Industries (Suzhou) Ltd. As of December 31, 2014, FENC has yet to make any remittance to this indirect investment.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In Thousands of New Taiwan Dollars)

| No. (Note A) | Company Name | Related Party | Flow of Transaction (Note B) | Transaction Detail | | | |
|---|---|---|------------------------------------|--------------------------------|--------------|--------------------|--|
| | | | | Financial Statement Account | Amount | Term | % to Consolidated Revenue or Assets (Note C) |
| 0 | Far Eastern New Century Corporation | Far Eastern Polychem Industries Ltd. | 1 | Other receivables | \$ 1,898,760 | Based on agreement | - |
| | | Far Eastern Polychem Industries Ltd. | 1 | Interest revenue | 26,841 | Based on agreement | - |
| | | PET Far Eastern (Holding) Ltd. | 1 | Other receivables | 1,995,240 | Based on agreement | - |
| | | PET Far Eastern (Holding) Ltd. | 1 | Interest revenue | 40,497 | Based on agreement | - |
| | | Fu Kwok Garment Manufacturing Co., Ltd. | 1 | Other receivables | 117,990 | Based on agreement | - |
| | | Fu Kwok Garment Manufacturing Co., Ltd. | 1 | Other receivables | 148,164 | Based on agreement | - |
| | | Pet Far Eastern (M) Sdn. Bhd. | 1 | Sales revenue | 174,353 | Based on agreement | - |
| | | Far Eastern Apparel (Vietnam) Ltd. | 1 | Other receivables | 406,111 | Based on agreement | - |
| | | Worldwide Polychem (HK) Ltd. | 1 | Accounts receivable | 338,479 | Based on agreement | - |
| | | Worldwide Polychem (HK) Ltd. | 1 | Sales revenue | 1,280,300 | Based on agreement | 1 |
| | | Far Eastern Industries (Shanghai) Ltd. | 1 | Sales revenue | 578,741 | Based on agreement | - |
| | | Far Eastern Industries (WuXi) Ltd. | 1 | Sales revenue | 264,969 | Based on agreement | - |
| | | 2 | Yuan Ding Investment Co., Ltd. | Yuan Tong Investment Co., Ltd. | 3 | Other receivables | 394,000 |
| Yuan Tong Investment Co., Ltd. | 3 | | | Interest revenue | 5,887 | Based on agreement | - |
| Kai Yuan International Investment Co., Ltd. | 3 | | | Other receivables | 700,000 | Based on agreement | - |
| Kai Yuan International Investment Co., Ltd. | 3 | | | Interest revenue | 8,283 | Based on agreement | - |
| An Ho Garment Co., Ltd. | 3 | | | Other receivables | 400,000 | Based on agreement | - |
| An Ho Garment Co., Ltd. | 3 | | | Interest revenue | 3,834 | Based on agreement | - |
| 5 | Far Eastern Polychem Industries Ltd. | Pet Far Eastern (M) Sdn. Bhd. | 3 | Accounts receivable | 338,827 | Based on agreement | - |
| | | Pet Far Eastern (M) Sdn. Bhd. | 3 | Sales revenue | 1,227,281 | Based on agreement | 1 |
| | | Far Eastern Industries (Shanghai) Ltd. | 1 | Other receivables | 2,355,553 | Based on agreement | - |
| | | Far Eastern Ishizuka Green Pet | 1 | Other receivables | 305,055 | Based on agreement | - |
| | | Far Eastern Ishizuka Green Pet | 1 | Interest revenue | 459 | Based on agreement | - |
| | | Far Eastern Industries (Suzhou) Ltd. | 3 | Other receivables | 814,894 | Based on agreement | - |
| | | Wuhan Far Eastern New Material Ltd. | 3 | Sales revenue | 363,231 | Based on agreement | - |
| 6 | Oriental Petrochemical (Taiwan) Co., Ltd. | Far Eastern New Century Corporation | 2 | Accounts receivable | 590,773 | Based on agreement | - |
| | | Far Eastern New Century Corporation | 2 | Sales revenue | 8,536,321 | Based on agreement | 4 |
| | | Far Eastern Industries (Suzhou) Ltd. | 3 | Sales revenue | 493,686 | Based on agreement | - |
| 7 | Far Eastern Investment (Holding) Ltd. | Far Eastern Polychem Industries Ltd. | 3 | Other receivables | 316,500 | Based on agreement | - |
| | | Far Eastern Polychem Industries Ltd. | 3 | Interests receivable | 579 | Based on agreement | - |
| | | Far Eastern Polychem Industries Ltd. | 3 | Interest revenue | 3,989 | Based on agreement | - |
| | | PET Far Eastern (Holding) Ltd. | 3 | Interest revenue | 20 | Based on agreement | - |
| | | Far Eastern Polytex (Holding) Ltd. | 3 | Other receivables | 1,993,950 | Based on agreement | - |

(Continued)

| No. (Note A) | Company Name | Related Party | Flow of Transaction (Note B) | Transaction Detail | | | |
|-----------------|-------------------------------------|--|------------------------------------|-----------------------------|-----------|--------------------|--|
| | | | | Financial Statement Account | Amount | Term | % to Consolidated Revenue or Assets (Note C) |
| | | Far Eastern Polytex (Holding) Ltd. | 3 | Interests receivable | \$ 2,245 | Based on agreement | - |
| | | Far Eastern Polytex (Holding) Ltd. | 3 | Interest revenue | 24,271 | Based on agreement | - |
| | | FEDP (Holding) Ltd. | 3 | Other receivables | 47,475 | Based on agreement | - |
| | | FEDP (Holding) Ltd. | 3 | Interests receivable | 42 | Based on agreement | - |
| | | FEDP (Holding) Ltd. | 3 | Interest revenue | 225 | Based on agreement | - |
| | | Oriental Textile (Holding) Ltd. | 3 | Other receivables | 2,357,292 | Based on agreement | - |
| | | Oriental Textile (Holding) Ltd. | 3 | Interests receivable | 261 | Based on agreement | - |
| | | Oriental Textile (Holding) Ltd. | 3 | Interest revenue | 29,459 | Based on agreement | - |
| | | Far Eastern Apparel (Holding) Ltd. | 3 | Other receivables | 474,750 | Based on agreement | - |
| | | Far Eastern Apparel (Holding) Ltd. | 3 | Interests receivable | 135 | Based on agreement | - |
| | | Far Eastern Apparel (Holding) Ltd. | 3 | Interest revenue | 5,891 | Based on agreement | - |
| | | Pet Far Eastern (M) Sdn. Bhd. | 1 | Other receivables | 252,497 | Based on agreement | - |
| | | Pet Far Eastern (M) Sdn. Bhd. | 1 | Interests receivable | 61,960 | Based on agreement | - |
| | | Pet Far Eastern (M) Sdn. Bhd. | 1 | Interest revenue | 3,436 | Based on agreement | - |
| | | Far Eastern Apparel (Vietnam) Ltd. | 1 | Other receivables | 232,944 | Based on agreement | - |
| | | Worldwide Polychem (HK) Limited | 3 | Other receivables | 82,290 | Based on agreement | - |
| | | Sino Belgium (Holding) Ltd. | 3 | Other receivables | 250,985 | Based on agreement | - |
| | | Sino Belgium (Holding) Ltd. | 3 | Interests receivable | 842 | Based on agreement | - |
| | | Sino Belgium (Holding) Ltd. | 3 | Interest revenue | 3,257 | Based on agreement | - |
| 8 | PET Far Eastern (Holding) Ltd. | Far Eastern Investment (Holding) Ltd. | 1 | Other receivables | 484,245 | Based on agreement | - |
| | | Far Eastern Investment (Holding) Ltd. | 1 | Interest revenue | 4,750 | Based on agreement | - |
| | | Oriental Petrochemical (Shanghai) Corp. | 1 | Other receivables | 1,035,955 | Based on agreement | - |
| | | Oriental Petrochemical (Shanghai) Corp. | 1 | Sales revenue | 622,354 | Based on agreement | - |
| 10 | Far Eastern Polytex (Holding) Ltd. | Wuhan Far Eastern New Material Ltd. | 1 | Other receivables | 158,250 | Based on agreement | - |
| | | Far Eastern New Century (China) Investment Ltd. | 1 | Other receivables | 1,975,974 | Based on agreement | - |
| 11 | Yuan Ding Company Ltd. | Far Eastern New Century Corporation | 2 | Rent revenue | 117,236 | Based on agreement | - |
| | | Ding Ding Hotel Co., Ltd. | 1 | Rent revenue | 392,631 | Based on agreement | - |
| | | Yuan Ding Integrated Information Service (Shanghai) Inc. | 1 | Other receivables | 189,900 | Based on agreement | - |
| 15 | FEDP (Holding) Ltd. | Far Eastern Investment (Holding) Ltd. | 3 | Interest revenue | 391 | Based on agreement | - |
| | | Far Eastern Industries (Suzhou) Ltd. | 1 | Other receivables | 411,450 | Based on agreement | - |
| 20 | Oriental Textile (Holding) Ltd. | Far Eastern Industries (WuXi) Ltd. | 1 | Other receivables | 221,550 | Based on agreement | - |
| | | Oriental Industries (Suzhou) Ltd. | 1 | Other receivables | 3,006,750 | Based on agreement | 1 |
| 21 | Far Eastern Apparel (Holding) Ltd. | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | 1 | Other receivables | 341,820 | Based on agreement | - |
| | | Far Eastern Apparel (Suzhou) Ltd. | 3 | Other receivables | 569,700 | Based on agreement | - |
| 24 | Oriental Resources Development Ltd. | Far Eastern New Century Corporation | 2 | Sales revenue | 333,420 | Based on agreement | - |
| 28 | Far Eastern Apparel (Vietnam) Ltd. | Far Eastern New Century Corporation | 2 | Accounts receivable | 111,910 | Based on agreement | - |
| | | Far Eastern New Century Corporation | 2 | Processing revenue | 1,167,301 | Based on agreement | - |

(Continued)

| No. (Note A) | Company Name | Related Party | Flow of Transaction (Note B) | Transaction Detail | | | |
|-----------------|--|--|------------------------------------|-----------------------------|--------------|--------------------|--|
| | | | | Financial Statement Account | Amount | Term | % to Consolidated Revenue or Assets (Note C) |
| 30 | Far Eastern Industries (Shanghai) Ltd. | Far Eastern Polychem Industries Ltd. | 2 | Sales revenue | \$ 8,565,718 | Based on agreement | 4 |
| | | Worldwide Polychem (HK) Ltd. | 3 | Accounts receivable | 343,423 | Based on agreement | - |
| | | Worldwide Polychem (HK) Ltd. | 3 | Sales revenue | 712,858 | Based on agreement | - |
| | | Far Eastern Industries (Yangzhou) Ltd. | 3 | Sales revenue | 322,307 | Based on agreement | - |
| | | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | 3 | Sales revenue | 182,397 | Based on agreement | - |
| | | Wuhan Far Eastern New Material Ltd. | 3 | Accounts receivable | 257,773 | Based on agreement | - |
| | | Wuhan Far Eastern New Material Ltd. | 3 | Sales revenue | 864,602 | Based on agreement | - |
| 33 | Far Eastern General Contractor Co., Ltd. | Far Eastern Construction Co., Ltd. | 2 | Construction revenue | 177,600 | Based on agreement | - |
| 34 | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Far Eastern New Century Corporation | 2 | Sales revenue | 315,515 | Based on agreement | - |
| | | Far Eastern Apparel (Holding) Ltd. | 2 | Accounts receivable | 245,046 | Based on agreement | - |
| | | Far Eastern Apparel (Holding) Ltd. | 2 | Sales revenue | 1,622,357 | Based on agreement | 1 |
| | | Far Eastern Apparel (Suzhou) Ltd. | 3 | Sales revenue | 304,407 | Based on agreement | - |
| 36 | Waldorf Services B.V. | Far Eastern Polychem Industries Ltd. | 3 | Other receivables | 316,500 | Based on agreement | - |
| | | Far Eastern Polychem Industries Ltd. | 3 | Interest revenue | 362 | Based on agreement | - |
| | | Far Eastern Investment (Holding) Ltd. | 2 | Interest revenue | 3,570 | Based on agreement | - |
| | | Far Eastern Investment (Holding) Ltd. | 2 | Other receivables | 316,500 | Based on agreement | - |
| | | Oriental Textile (Holding) Ltd. | 3 | Other receivables | 316,500 | Based on agreement | - |
| | | Oriental Textile (Holding) Ltd. | 3 | Interest revenue | 362 | Based on agreement | - |
| 37 | Yuan Cheng Human Resources Consultant Corp. | Far Eastone Telecommunications Co., Ltd. | 3 | Operating revenue | 110,616 | Based on agreement | - |
| 39 | An Ho Garment (Suzhou) Ltd. | Far Eastern Apparel (Suzhou) Ltd. | 2 | Accounts receivable | 118,510 | Based on agreement | - |
| | | Far Eastern Apparel (Suzhou) Ltd. | 2 | Sales revenue | 346,930 | Based on agreement | - |
| 41 | Oriental Petrochemical (Shanghai) Corp. | Far Eastern Industries (Shanghai) Ltd. | 3 | Accounts receivable | 523,767 | Based on agreement | - |
| | | Far Eastern Industries (Shanghai) Ltd. | 3 | Notes receivable | 1,146,630 | Based on agreement | - |
| | | Far Eastern Industries (Shanghai) Ltd. | 3 | Sales revenue | 6,706,840 | Based on agreement | 3 |
| | | Far Eastern Industries (Suzhou) Ltd. | 3 | Accounts receivable | 176,492 | Based on agreement | - |
| | | Far Eastern Industries (Suzhou) Ltd. | 3 | Notes receivable | 410,850 | Based on agreement | - |
| | | Far Eastern Industries (Suzhou) Ltd. | 3 | Sales revenue | 1,223,381 | Based on agreement | 1 |
| | | Far Eastern Yihua Petrochemical (Yangzhou) Corporation | 3 | Sales revenue | 591,337 | Based on agreement | - |
| 43 | Far Eastern Industries (WuXi) Ltd. | Oriental Textile (Holding) Ltd. | 2 | Accounts receivable | 145,925 | Based on agreement | - |
| | | Oriental Textile (Holding) Ltd. | 2 | Sales revenue | 734,713 | Based on agreement | - |
| | | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | 3 | Sales revenue | 112,656 | Based on agreement | - |
| | | Oriental Industries (Suzhou) Ltd. | 3 | Other receivables | 177,816 | Based on agreement | - |
| | | Oriental Industries (Suzhou) Ltd. | 3 | Interest revenue | 522 | Based on agreement | - |
| 44 | Oriental Industries (Suzhou) Ltd. | Oriental Textile (Holding) Ltd. | 2 | Accounts receivable | 555,508 | Based on agreement | - |
| | | Oriental Textile (Holding) Ltd. | 2 | Sales revenue | 3,463,732 | Based on agreement | 1 |
| | | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | 3 | Other receivables | 38,448 | Based on agreement | - |
| | | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | 3 | Interest revenue | 130 | Based on agreement | - |

(Continued)

| No. (Note A) | Company Name | Related Party | Flow of Transaction (Note B) | Transaction Detail | | | |
|-----------------|--|--|------------------------------------|-----------------------------|-----------|--------------------|--|
| | | | | Financial Statement Account | Amount | Term | % to Consolidated Revenue or Assets (Note C) |
| | | Far Eastern Industries (WuXi) Ltd. | 3 | Interest revenue | \$ 48 | Based on agreement | - |
| | | Far Eastern Industries (Suzhou) Ltd. | 3 | Other receivables | 457,302 | Based on agreement | - |
| | | Far Eastern Industries (Suzhou) Ltd. | 3 | Interest revenue | 1,473 | Based on agreement | - |
| | | Far Eastern Apparel (Suzhou) Ltd. | 3 | Interest revenue | 641 | Based on agreement | - |
| | | Sino Belgium (Suzhou) Ltd. | 3 | Other receivables | 877,001 | Based on agreement | - |
| | | Sino Belgium (Suzhou) Ltd. | 3 | Interests receivable | 2,609 | Based on agreement | - |
| 45 | Far Eastern Industries (Suzhou) Ltd. | Oriental Industries (Suzhou) Ltd. | 3 | Accounts receivable | 268,909 | Based on agreement | - |
| | | Oriental Industries (Suzhou) Ltd. | 3 | Notes receivable | 651,943 | Based on agreement | - |
| | | Oriental Industries (Suzhou) Ltd. | 3 | Sales revenue | 3,277,648 | Based on agreement | 1 |
| | | Far Eastern Apparel (Suzhou) Ltd. | 3 | Interest revenue | 46 | Based on agreement | - |
| 46 | Wuhan Far Eastern New Material Ltd. | Far Eastern Polychem Industries Ltd. | 3 | Sales revenue | 558,750 | Based on agreement | - |
| | | Far Eastern Industries (Shanghai) Ltd. | 3 | Sales revenue | 208,591 | Based on agreement | - |
| 47 | Far Eastern Apparel (Suzhou) Ltd. | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | 3 | Interest revenue | 36 | Based on agreement | - |
| | | Oriental Industries (Suzhou) Ltd. | 3 | Other receivables | 1,009,378 | Based on agreement | - |
| | | Oriental Industries (Suzhou) Ltd. | 3 | Interest revenue | 8,799 | Based on agreement | - |
| | | Far Eastern Industries (Suzhou) Ltd. | 3 | Interest revenue | 4,536 | Based on agreement | - |
| | | Sino Belgium (Suzhou) Ltd. | 3 | Interest revenue | 8,546 | Based on agreement | - |
| 48 | Far Eastern Yihua Petrochemical (Yangzhou) Corporation | Far Eastern Industries (Suzhou) Ltd. | 3 | Sales revenue | 596,623 | Based on agreement | - |
| 49 | Far Eastern New Century (China) Investment Ltd. | Yuan Ding Enterprise (Shanghai) Ltd. | 1 | Other receivables | 4,646,193 | Based on agreement | 1 |
| 55 | YDT Technology International Co., Ltd. | Yuan Ding Company Ltd. | 2 | Other receivables | 150,165 | Based on agreement | - |
| | | Yuan Ding Company Ltd. | 2 | Interest revenue | 1,404 | Based on agreement | - |
| | | Far Eastern Electronic Toll Collection Co., Ltd. | 3 | Construction income | 3,73,533 | Based on agreement | - |
| 57 | FET Consulting Engineers Co., Ltd. | Yuan Ding Company Ltd. | 2 | Other receivables | 220,000 | Based on agreement | - |

Note A: How the Company and subsidiaries are identified:

- a. The Company: 0.
- b. Subsidiaries are started at 1 consecutively.

Note B: Flow of transaction:

- 1 From FENC to subsidiary.
- 2 From the subsidiary to FENC.
- 3 Between subsidiaries.

Note C: The number presenting in this column is the ratio of ending balance to consolidated asset or the ratio of cumulative amount to consolidated revenue.

(Concluded)